



IDAHO DEPARTMENT OF PARKS & RECREATION

MINUTES

for
August 2-4, 2006
Quarterly Board Meeting

Best Western Lodge at River's Edge
Orofino, Idaho

IDAHO PARK AND RECREATION BOARD MEETING

August 1-4, 2006

Best Western Lodge at River's Edge

Orofino, Idaho

Chair Jean McDevitt called the Board meeting to order at 8:58 a.m. August 3, 2006, at the Best Western Lodge at River's Edge with the following Board members attending:

Jean McDevitt, Chair, Pocatello
Ernest J. Lombard, Member, Eagle
Latham Williams, Member, Ketchum
Steve Klatt, Member, Sandpoint
Doug Hancey, Member, Rexburg
Randal Rice, Member, Moscow

Also present during all or a portion of the meeting were the following individuals:

Robert Meinen, Director
Dean Sangrey, Division Administrator - Operations
Dave Ricks, Division Administrator – Management Services
Jane Wright, Financial Officer
Jennifer Wernex, Communications Officer
Jan Johns, Administrative Assistant
Steve Frost, Recreation Resource Bureau Chief
Rick Brown, South Region Manager
David White, North Region Manager
Garth Taylor, East Region Manager
Michael Orr, Deputy Attorney General - Natural Resources Division
Steve Strack, Attorney General - Natural Resources Division
Kelly Burrows, Planner
Brian Miller, Supervisor - Grants Program
Tami Johnson, Field Grant Specialist – North Region
Dawn Hall, Division of Financial Management
Eric Milstead, Legislative Service Office
Fred Bear, Park Manager – Heyburn State Park
Randall Butt, Park Manager – Farragut State Park
Kristi Stephens, Park Manager – Dworshak State Park
Georgia Suchocki, North Region Administrative Assistant

IDAHO DEPARTMENT OF PARKS AND RECREATION

“To improve the quality of life in Idaho through outdoor recreation and resource stewardship.”

Board Meeting

August 2nd-4th, 2006

Best Western Lodge at River's Edge

Orofino, Idaho

*Consent Agenda CA

*Information Only IO

*Action Item AI

Thursday August 3, 2006

AGENDA

7:58 a.m. Call to order

- Welcome Guests

- Additions or Deletions to the Printed Agenda
- Adoption of the Consent Agenda
- Approval of the May 2006 Board Meeting Minutes
- Introduction of Rick Brown, South Region Manager

9:13 a.m. Public Forum

Coeur d'Alene Tribe: Dave Lamb and Jason Brown, Lake Management Division

10:19 a.m. Executive Session Under authority of Idaho Code 67-2345 (c) an executive session may be held to discuss personnel, acquisition of private lands, and/or litigation

11:58 a.m. Working Lunch

12:15 p.m. Reports

- Development
- Update on Park Visitation Procedures
- Parks and Programs
- Attorney General
- Director

1:27 p.m. Public Comment for Hidden Lake Float Homes

1:45 p.m. Heyburn State Park Hidden Lake Float Homes *AI

3:15 p.m. Fiscal Year End 2006 Financial Statement and Approval of FY '08 Budget *AI

4:15 p.m. Approval of Master Plans *AI

- Castle Rocks State Park
- Thousand Springs State Park

4:45 p.m. Recess

Dinner on own

Friday August 4th, 2006

8:00 a.m. FY'07 Recreation Road and Bridge Grant Funds *AI

8:07 a.m. Advisory Committee Replacement Selection *AI

8:40 a.m. BLM Grants *AI

9:16 a.m. Executive Session Under authority of Idaho Code 67-2345 (c) an executive session may be held to discuss personnel, acquisition of private lands, and/or litigation

9:30 a.m. IDPR Conference Update *IO

9:45 a.m. Ponderosa State Park Dining and Ski Guide Concession Permit *AI

10:30 a.m. Review of the Idaho Cruise Boat *IO

11:00 a.m. Experience Idaho Project Update *IO

11:34 a.m. Review of the Trail of the Coeur d'Alenes *IO/AI

11:49 a.m. Adjourn

FUTURE BOARD MEETING: October 24th-27th, 2006, Eagle, Idaho

October 24th Workshop

October 25th Board Meeting

October 26th Board Meeting

8:59 a.m. Chair McDevitt welcomed IDPR's guests.

9:00 a.m. Chair McDevitt discussed the revisions to the agenda.

9:05 a.m. Mr. Williams moved to accept the amended agenda as follows:

August 3rd, Thursday

Noon Reports

- Development
- Update on Park Visitation Procedures
- Parks and Programs
- Attorney General
- Director

- 4:15 p.m. Approval of Master Plans**
- Thousand Springs State Park
 - Castle Rocks State Park

August 4th , Friday

9:00 a.m. BLM Grants

9:15 a.m. Executive Session

10:30 a.m. Review of the *Idaho* Cruise Boat

11:00 a.m. *Experience Idaho* Project Update.

Mr. Klatt seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

9:08 a.m. Mr. Williams moved to approve the May 2006 Board Minutes as amended. Mr. Klatt seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. The motion was passed with Mr. Rice abstaining.

9:13 a.m. Public Forum

Mr. Dave Lamb and Mr. Jason Brown of the Coeur d'Alene Tribe, Lake Management Division, addressed the Board on aquatic management issues on Lake Coeur d'Alene.

10:19 a.m. Mr. Rice moved that the Board go into Executive session under Idaho Code 672345, (c) an executive session may be held to discuss personnel, acquisition of private lands, and/or litigation. Mr. Hancey seconded the motion. Chair asked Ms. Johns to poll the Board. Mr. Hancey-aye, Mr. Lombard-aye, Mr. Williams-aye, Chair-aye. Mr. Klatt was absent. The motion was passed.

11:58 a.m. Mr. Rice moved that the Board go out Executive session. Mr. Hancey seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

12:15 p.m. Reports

The following reports were given:

- Development
- Update on Park Visitation Procedures
- Parks and Programs
- Attorney General
- Director

1:15 p.m. Mr. Lombard moved that staff proceed with the land acquisition at Castle Rocks as discussed previously in Executive Session. Mr. Williams seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

1:16 p.m. Mr. Klatt moved to instruct the Attorney General's staff to prepare a quit claim deed in the Martindale dispute related to the Ashton Tetonia property. Mr. Lombard seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

1:27 p.m. Public Forum for Hidden Lake Float Homes Mr. Dave Kimberling of Puyallup, Washington, Mr. Tim Green of Moscow, Idaho and Mr. Wynn Mosman of Moscow, Idaho addressed the Board (*see Attachment 1*) representing the float home owners.

Discussion followed (*see Attachment 2*)

Mr. White presented to the Board an update on the Heyburn State Park Hidden Lake development (*see Attachment 3*). He said that there had been a great deal of discussion between staff and the float home owners. The float home owners have brought forth many good ideas for resolution and that some of the proposals presented are that of the float homeowners. Mr. White assured the Board members that the float home owners had input on the possible solutions. He said that one of his objectives was to provide everyone with as much information as he could as soon as he had it. He thought that over time staff and homeowners were provided with good current information. A picture of Hidden Lake and the float homes lining the shore was shown. In 1990, the Board's decision approved the General Development Plan (GDP) with a float home exception. They said it was incompatible with the shoreline of the park and the lake. It was not in the public's best interest and the department needed to set example on how we could to use the public waters and land. The phase out was to be similar to the cabins, two ten-year leases ending in December 2009. The 2005 Board decision was to stand behind the 1990 decision that the 2009 leases for the float homes would no longer exist as they are today. The Board asked that staff come back with input and other information over time as well as making recommendations. The information presented to date is the following:

- 1990 Board decision and why
- Information regarding public boating along the Hidden Lake shoreline and the lack of facilities and the growing demand of need
- Distributed public input from public meetings
- Float home owners have submitted input
- Provided value of the float homes based upon the county numbers
- Provided information about various costs

The one thing that has not been submitted is an appraisal. A local contractor was hired to do a preliminary appraisal (*see Attachment 4*), knowing it was something the department could not potentially stand on later but it would, at least, give an idea of what some of the value of the float homes might potentially be.

Currently, Idaho Department of Lands (IDL) along with Coeur d'Alene Tribe oversees all the leases on bodies of water in Idaho and the has basically said there will be no *new* float homes nor boat houses. IDL has currently grandfathered in that any float homes or houseboats under their jurisdiction can still be left on the lake. With that, the term "footprints" has come about where people are literally purchasing a float home or a boathouse and getting the "footprints" to the lease. They then move the float home or boathouse to a new location and build another structure within the parameters of the footprint. Currently, 37 float homes need to be relocated. Twenty-five float homes are on twenty-four sites within Hidden Lake and twelve float homes are located on the lower third of Lake Coeur d'Alene, which is under the Coeur d'Alene Tribe's jurisdiction. Within the last six months, a market has developed. Part of it is based upon the float homes that people are attempting to be move and the need of a footprint. The limitations are the availability for suitable sites and a direct connection to sewage. There are two areas under consideration for float home marinas: at the mouth of the Coeur d'Alene River at Harrison Dock Builders and in Copper Bay at Maritime Operations. The future trends depend on site opportunities. If either one of these locations become available for permitted float homes, then the float homes have a place to go. If that possibility does not come to fruition, it's going to be limited to these people who potentially buy a footprint and try to do something with it.

The preliminary valuation, which was done by Mr. Emerson, was based on the measurement and the pictures supplied by staff. To do a full valuation of any structure, there needs to be a more precise premise review. Staff asked for a rough estimation of what the float homes value might be. Mr. Emerson came up with a \$1.5 million valuation for the float homes as opposed to the county's valuation of \$1.045 million. He also indicated that dismantle/disposal cost for a float home was between \$5-\$10,000. Staff also checked the cost of moving a float home to one of the possible locations at the mouth of the river.

Harrison Dock Builders said moving from their location to the farthest reaches of Coeur d'Alene, the cost would be approximately \$3000 per float home.

The questions before the Board associated with the float homes are the following:

1. Does the private and exclusive use by the float home owners meet the IDPR mission?
2. Are float homes compatible with public recreation uses of Hidden Lake?
3. Should and can the float homes be relocated to within Hidden Lake?
4. What is the timeline to develop and utilize the Hidden Lake area?

Mr. White said the staff proposed the following recommendation:

Allow current leases to expire at the end of 2009 and have all float homes removed from Hidden Lake. If the Board cannot reach consensus on this, staff is recommending that IDPR renew the float home leases for a five to ten year maximum period of time and with a specific float home lease, providing no compensation to lessees upon termination. With respect to Hidden Lake, staff chose to develop approximately five-acre flat area for camping and install three to five camper cabins as well as yurts along the shoreline.

Discussion followed. (*See Attachment 5*)

2:33 p.m. Mr. Klatt moved that IDPR offer an opportunity for the float home owners within Heyburn State Park to enter into a new 10-year lease along the southwestern shore of Hidden Lake, similar to Attachment I, Alternative 2 (*see Attachment 3*) and that the Board instruct the Attorney General to work with IDPR staff to begin preparing a new lease for the Board's review. Mr. Rice seconded the motion. Mr. Hancey objected to the motion as being too vague. Mr. Lombard agreed. Discussion followed. Both Mr. Williams and Mr. Lombard said they could not support Mr. Klatt's motion unless it was amended to include the following provisions:

1. Elimination of any termination fees payable by lessor
2. Float homes residency act shall not apply

The Chair asked for a second on the amendment. Mr. Lombard seconded it. Mr. Hancey asked Mr. Klatt to withdraw his motion. Mr. Klatt responded in the negative. Mr. Rice called for the question on the amendment. Chair asked for a poll for the vote. Mr. Williams-aye, Mr. Lombard-aye, Mr. Hancey-nay, Mr. Rice-nay, Mr. Klatt-nay, Chair-nay. The motion did not pass. Mr. Klatt called for the question on the motion. Chair McDevitt repeated the motion:

Hidden Lake Float home motion is that IDPR offers an opportunity for the float homeowners within Heyburn State Park to enter into a new 10-year lease along the southeastern shore of Hidden Lake, similar to attachment I, alternative 2 map in the Agenda notebook and we instruct the Attorney General to work with our staff to begin preparing a new lease as soon as possible for Idaho Park Board review in the future.

Chair McDevitt asked for all in favor indicate by saying aye. The Board was polled for vote. Mr. Klatt-aye, Mr. Lombard-nay, Mr. Hancey-aye, Mr. Rice-aye, Mr. Williams-aye, Chair McDevitt-nay. Motion passed.

3:15 p.m. Fiscal Year End 2006 Financial Statement Ms. Wright reviewed the year-end statement for the Board. (*see Attachment 6*)

Discussion followed.

4:00 p.m. Mr. Klatt moved to approve the Fiscal Year End 2006 Financial Statement as presented by staff. Mr. Lombard seconded the motion. Chair asked for further discussion. Hearing none,

the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

4:05 p.m. Approval of FY'08 Budget

Mr. Klatt moved that the Board endorse and approve staff's IDPR proposed 2008 budget (see Attachment 7) as presented with the following amendments:

- **Line Item #12- Change \$100,000 from Capital Outlay to Personnel and operating for a limited Service position to coordinate the department wide, long term facility planning**
- **Add Line Item #17- One curator position and related operating costs**
- **Staff to incorporate edits as defined during the Board Budget presentation**

Mr. Lombard seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

4:00 p.m. Approval of the Master Plans for Castle Rocks State Park and Thousand Springs State Park

Mr. Burrows presented to the Board the final master plan for Thousand Springs State Park. Mr. Williams said that he had noticed that in the amended plan that was sent to some of the user groups, there were quite a few comments about hunting in the Billingsley Creek unit. He asked if there had been any changes made to the draft the Board had reviewed with regards to hunting. Mr. Burrows said that currently that there is hunting allowed in Billingsley Creek and the reference on page 73 of the Master Plan I (see Attachment 8) and there was also some concern from hunters that what was stated in the Master Plan was either vague or not compatible with other recreational uses. Mr. Burrows said that the concern was a conflict between users but in actuality, Mr. Burrows thought they were hoping to have a more private reserve for hunting. Park staff will be working with Idaho Department of Fish and Game to sign the area during hunting season to avoid conflict of users, especially hikers who may be walking in the area, letting them know that there is hunting allowed. Mr. Williams said that according to the public input, it was asked for additional facility uses to be considered for the park including tennis courts at Billingsley Creek, disc golf at Niagara Springs and ATV use in the park. Were any of those uses mentioned as possible in the Master Plan and have they been added and/or should they be added? Mr. Burrows replied that more active recreational areas could be considered. Chair McDevitt said that in the list of species, there is not inventory for fish. She asked that fish be included.

4:13 p.m. Mr. Williams moved that the Board approve the 1000 Springs State Park Master Plan as presented by staff. Mr. Hancey seconded the motion. Chair asked for discussion. Mr. Klatt asked whether or not fish species was going to be added. Mr. Williams concurred and stated, "as amended as per the Board's discussion." Mr. Hancey seconded the amended motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

4:14 p.m. Mr. Burrows presented the final Castle Rocks Master Plan to the Board for approval. The amendments to the plan were discussed.

4:25 p.m. Mr. Klatt moved that the Board accept and adopt the Castle Rocks State Park Master Plan as amended and dated August 2006. Mr. Rice seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

4:26 p.m. Board Reports Board members updated staff and other Board members regarding activities taking place in their respective regions in connection to IDPR.

4:45 p.m. Recess

Friday August 4th

8:05 a.m. Meeting called to order.

8:07 a.m. Fiscal Year 2007 Recreational Road and Bridge Grant Funds Mr. Ricks said that in Fiscal Year 2007, the Idaho Department of Parks and Recreation was appropriated \$300,000 in Recreational Road & Bridge monies (Fund 0247.04) pursuant to Idaho Code §63-2412(e) 3. These funds are, “to be used solely to develop, construct, maintain and repair roads, bridges and parking areas within and leading to parks and recreation areas of the state.”

Grants staff reviewed unsuccessful RV, ORMV, RTP, and WIF applications to see if any would qualify for Road and Bridge funding. Also, outdoor recreation program staff was consulted to submit appropriate projects for Road and Bridge funding.

The State & Federal Grant Supervisor and the Recreation Resources Bureau Chief met to review and prioritize projects. In consideration of the funding source, (state gasoline tax funds) priority was given to those projects that significantly enhance motorized trail or motorized boating activity (*see Attachment 9*).

8:14 a.m. Mr. Klatt moved that Board approve staff’s recommendations as presented. Mr. Lombard seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:15 a.m. Advisory Committee Replacement Selection Mr. Ricks said that the Department had five (5) citizen advisory committees, one for each recreation grant program. As the terms for these individual committee members expire, they need to be reappointed or a new member nominated and approved by the Board. A consolidated report of potential committee nominees is included in a bound book entitled “Advisory Committee Review Summary.” Mr. Ricks said that staff recommended that the Board appoint Robert Wuest to the Region 1&2 snowmobile position.

8:18 a.m. Mr. Klatt moved that the Board appoint Robert Wuest to fill the snowmobile position that was Karen Kimball’s. Mr. Lombard seconded. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

Mr. Ricks said that staff recommended that the Board reappoint Brett Madron to the Region 3&4 Motorbike/ATV position.

8:20 a.m. Mr. Lombard moved to reappoint Brett Madron to the Region 3&4 Motorbike/ATV position. Mr. Williams seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:21 a.m. Mr. Ricks said that staff recommended that the Board reappoint Donna Whitham to the Region 5&6 Non-motorized position.

8:25 a.m. Mr. Hancey moved to reappoint Donna Whitham to the ORMV advisory committee for Region 5& 6. Mr. Klatt seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:27 a.m. Mr. Ricks said that staff recommended that the Board appoint Steve Frisbie to the statewide motorbike position.

8:29a.m. Mr. Lombard moved to appoint Steve Frisbie to the statewide motorbike position. Mr. Klatt seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:30 a.m. Mr. Ricks said that staff recommended that the Board appoint John Kolbe to the statewide bicycling position. Mr. Hancey requested that Mr. Scott Wood of Rexburg to be considered for the position. Mr. Klatt encouraged the Board appoint Jana Shields to the position.

8:32 a.m. Mr. Klatt moved to appoint Jana Shield to the statewide bicycling position. Mr. Rice seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. Lombard-aye, Rice-aye, Hancey-aye, Klatt-aye, Chair-aye, Williams-nay. The motion was passed.

8:36 a.m. Mr. Ricks said that staff recommended that the Board appoint Chip Davini to the statewide water trails position.

8:37 a.m. Mr. Klatt moved to follow staff recommendation and appoint Chip Davini to the statewide water trails position. Mr. Lombard seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:38 a.m. Mr. Ricks said that staff recommended that the Board appoint Morgan Stage to the statewide disabilities position.

8:39 a.m. Mr. Hancey moved that the Board appoint Morgan Stage to the statewide disabilities position. Mr. Lombard seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:40 a.m. Mr. Ricks said that staff recommended that the Board appoint Tim Bernard to the Region 3 Recreational Vehicle position.

8:41 a.m. Mr. Lombard moved that the Board reappoint Tim Bernard to the Region 3 Recreational Vehicle position. Mr. Klatt seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:42 a.m. Mr. Ricks said that staff recommended that the Board appoint Terry Kincaid to the Region 1 Waterways Improvement Fund position. Mr. Klatt voiced his support on the selection of Mr. Kincaid.

8:43 a.m. Mr. Klatt moved to accept staff's recommendation appoint Terry Kincaid to the Region 1 Waterways Improvement Fund position. Mr. Lombard seconded the motion. Mr. Williams asked that staff send a letter of thanks to Mr. Walkinshaw for his dedication to the position. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:45 a.m. Mr. Ricks said that staff recommended that the Board reappoint Gordon Cruickshank to the Region 3 Waterways Improvement Fund position.

8:46 a.m. Mr. Lombard moved that the Board reappoint Gordon Cruickshank to the Region 3 Waterways Improvement Fund position. Mr. Klatt seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

8:47 a.m. Chair McDevitt asked for the list from Tab 2 of the Advisory Committee Review Summary be sent to the Board members in which the terms expiring for next year could be highlighted, giving the Board a chance to promote those position within their regions.

8:50 a.m. BLM Grant Mr. Hancey said he needed more information before he could bring it to the Board. Mr. Klatt asked for discussion of the item since it was an Action Item. Mr. Hancey asked to table the item. Chair McDevitt tabled the item.

8:53 a.m. IDPR Conference Update Mr. Ricks discussed the upcoming IDPR conference which will be held on November 7th-8th in Boise at the Red Lion Downtowner.

8:58 a.m. Ponderosa State Park Dining and Ski Guide Concession Permit Mr. Brown said that IDPR has granted a concession permit for Dining and Ski Guide services in Ponderosa State Park since 1995 when a small concession permit was issued to Lisa Whisnant operating as Blue Moon Outfitters. In both 1996 and 2001, after seeking proposals for a large concession operation offering the same services, Blue Moon Outfitters was issued five-year concession permits to provide dining and ski guide services at their yurt. The typical season length for the concession operation is from late November to mid May. In 68 nights of operation during the 2005-2006 season, the Blue Moon Outfitters Yurt served 1,472 guests. During the eleven years, Blue Moon Outfitters have had a concession permit in Ponderosa State Park, the staff report that they have had numerous compliments, and received no complaints on the operation. In June of 2006, Ponderosa State Park advertised a Large Concession Opportunity for Dining and Ski Guide services at the Park requesting proposals from all interested parties. One proposal was received, from Blue Moon Outfitters. The proposal is complete and meets the requirements necessary for the operation. Mr. Brown recommended that the Board accept Blue Moon Outfitter's proposal, granting them a large concession permit for up to five years.

Discussion followed.

9:05 a.m. Mr. Hancey moved that the Board accept staff's recommendation to approve Blue Moon Outfitter's proposal, granting them a large concession permit for up to five years. Mr. Lombard seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

9:07 a.m. Heyburn Cruise Boat Update Mr. White presented a current summary of operations for the cruise boat *Idaho*.

Discussion followed.

9:15 a.m. Executive Session Mr. Rice moved that the Board go into Executive session under Idaho Code 672345. Mr. Hancey seconded the motion. The Board was polled. Mr. Klatt-aye, Mr. Hancey -aye, Mr. Lombard-aye, Mr. Williams-aye, Chair-aye. The motion was passed.

11:10 a.m. Mr. Rice moved that the Board come out Executive session. Mr. Lombard seconded the motion. Chair asked Ms. Johns to poll the Board. Mr. Hancey -aye, Mr. Lombard-aye, Mr. Rice-aye, Chair-aye. Mr. Klatt and Mr. Williams were absent. The motion was passed.

11:25 a.m. Experience Idaho Update Mr. Ricks updated the Board on the Experience Idaho Projects including the following:

- **Heyburn State Park Welcome Center** – Project has been delegated to Division of Public Works (DPW). Jeff Egan from their office has been assigned this along with Andrew Conkey, our new Development Bureau Planner. The scope of work involves a new Welcome Center and renovating CCC buildings as funds allow. An RFQ is out to find a design consultant. A site visit in June was conducted with Jeff, David White, Dave Ricks, Rich Novotny, and park personnel to identify potential sites for the Welcome Center along with looking at many of the CCC buildings.
- **Ponderosa Day Use Area** - IDPR has a contract in place with LCA and HatchMueller to build the welcome center and reroute roads. The contract has been amended to include the

Day Use Area at Lakeview. Two scoping meeting were held in June and July. A draft conceptual site plan is in progress.

- **Eagle Island** – The Task Force is in place and an RFQ for a design consultant was issued. Beck and Baird was awarded the contract for work through conceptual design. The task force is making good progress and has had a number of meetings to date. The goal is to present a plan to the Governor and IDPR Board by September 15, 2006.
- **Castle Rocks Smoky Mountain Campground and Barn/Bunkhouse** – The campground was bid and a Notice to Proceed was issued to Kloefer, Inc. A construction kick-off meeting was held on June 13th. Site clearing and grubbing started on July 3rd. An RFQ is in process to acquire a design team to work on a barn/bunkhouse in the ranch house area.
- **Eastern Idaho Task Force** – The Task Force committee is making good progress. Nominations for park sites are being received and evaluated. The goal is to present a plan to the Governor and IDPR Board by September 15, 2006.
- **Harriman State Park Welcome Center** – DPW will be managing this project. Jeff Egan of DPW, Kelly Burrows and David Ricks toured Harriman July 6th to discuss scope and site placement for the Welcome Center with park personnel. An RFQ is out to find a design consultant. The scope of work will include the Welcome Center and renovation of many of the ranch compound buildings.
- **Miscellaneous Maintenance Projects** - IDPR received additional funding through Experience Idaho to address additional maintenance needs. These are in process through our normal work process.

Discussion followed.

11:38 a.m. Trail of the Coeur d'Alene Status Mr. White discussed the timeline (*see Attachment 10*) of the Trail with the date of September 4, 2006 as the date to complete the transfer of ownership of the right-of-way (ROW) from the Union Pacific Railroad (UPRR) to the State and Tribe. . However, two primary issues are holding the process up – UPRR's resolution of the various real estate and encroachment issues and the various State/Tribe agreements associated with the ownership, management, and operation of the Trail. UPRR has resolved the majority of the real estate and encroachment issues but there are several that still remain unresolved. UPRR recently stated once again that they have met the requirements of the Consent Decree (CD) and associated agreements in making a good faith effort in resolving them. The Department believes that it is imperative that all of the issues be resolved prior to ROW transfer to eliminate any conflicts. The State's legal representatives will be reviewing the recent correspondence and respond accordingly in an attempt to get the remaining issues resolved. To protect human health and the environment from the presence of contaminants that have been left in place following response actions within the ROW, the State and Tribe were required to develop an institutional controls program currently called the Response Action Maintenance Plan (RAMP). The RAMP sets out the oversight and management activities of the State, the Tribe and EPA to ensure that the response actions conducted on the ROW are maintained and preserved and to monitor construction activities on the ROW through training, permitting, and licensing requirements. These processes are funded by UPRR. This document has gone through numerous revisions and is almost complete and ready for approval.

To establish a long-term cooperative partnership between the State and the Tribe with respect to ownership, management, and operation of the ROW and Trail, both entities have been endeavoring to develop an acceptable agreement. The "Agreement Between the State of Idaho, Department of Parks And Recreation and Coeur d'Alene Tribe, Natural Resources Department Regarding Transfer, Ownership And Management of the Union Pacific Wallace-Mullan Branch Right Of Way as the Trail of the Coeur d'Alenes" is the "mother" agreement and includes three other documents.

The mother agreement addresses the following:

- Transfer and ownership of UPRR's interest between the State and Tribe including the portion in Heyburn that will be owned and managed jointly.
- Coordinated management based upon a "single Trail" principle and the development of "General Management Principles and Operating Guidelines" to follow.
- Establishment of a Trail Commission to provide oversight, assist in coordinating efforts, and resolve disputes.
- Management responsibilities in conjunction with ownership including co-management within Heyburn, which requires the development of two documents: "Heyburn Park ROW/Trail Long-term Management Plan" and "Heyburn Park ROW/Trail Operations Plan".
- Funding to include disbursement of the UPRR established escrow account for the TOC day-to-day operation and maintenance.

The State and Tribe have agreed in principle on the "mother" agreement but it cannot be finalized until the other three documents are completed. The State and Tribe are in the process of reviewing the "Heyburn Park ROW/Trail Long-term Management Plan." The State and Tribe are finally working diligently towards completing all of the documents. The goal is to have all of the documents completed and in place by September 4, 2006 so that ROW transfer can occur.

As previously indicated, IDPR has been operating and managing the TOC under the guidelines established with the "Interim Trail Management Funding Agreement" (ITFMA). However, the State and Tribe agreed to end UPRR's funding requirement in 2004 but continue managing the TOC under the assumption that the State and Tribe agreements were to be completed shortly thereafter. Unfortunately, this has yet to come to fruition.

In the interim, the Department has been operating and managing the trail with excess funds generated from that time period when the UPRR was reimbursing IDPR for these oversight activities. The Department continues to receive reimbursement from UPRR for Department oversight activities such as response actions; reviewing and developing plans, reports, and agreements pursuant to the CD; adhering to required actions associated with the remedial actions; and so on. This amount is approximately \$2,000 to \$3,000 per month.

As of June 30, 2006, the Department had \$53,000 remaining to continue operating and maintaining the TOC. From July to December of 2005, the Department spent \$59,160 in O&E, seasonal funds, and permanent staff salaries to operate and maintain the TOC. Hence, the Department can probably continue to adhere to its responsibilities under the ITMFA through the end of the calendar year (December 2006).

Upon completion of the various State/Tribe agreements, the two parties can disburse the \$2.3 million escrow account established by UPRR. Under the current agreement, the Department is to obtain 75% of this for operating and maintaining their portion of the trail. Once ROW transfer occurs, the Department will also collect revenues from all leases along the ROW under their jurisdiction. The Department continues to sort through this so the actual amount is currently unknown.

Discussion followed.

11:48 a.m. Mr. Klatt moved that this Agenda item be continued at the next Board meeting for action based on information received between now and October. Mr. Hancey seconded the motion. Chair asked for further discussion. Hearing none, the Chair asked for a vote on the motion. All votes were cast in the affirmative. The motion was passed.

11:49 a.m. Meeting adjourned.

Jean McDevitt, Chairman
Idaho Park and Recreation Board

Robert L. Meinen, Director
and Ex-Officio Member of the Board

ATTACHMENT #1

Park Board Meeting Presentation
August 3, 2006

Dave Kimberling:

My name is Dave Kimberling and I am one of the float home owners in Hidden Bay. I'd like to thank you for the opportunity to speak on behalf of the cabin owners. Mr. Green and Mr. Mosman will also comment.

We understand that we have been allocated 30 minutes for public comment. We don't intend to take the full 30 minutes and would request that the Park Board reserve 5 minutes for us to respond to the park staffs presentation.

I would like to provide you some background and few comments regarding staffs recommendations and alternatives. Mr. Green will follow up with some comments and Mr. Mosman will briefly discuss the lease, float home FMV and closing comments.

Let me provide some background. As you know much has changed since the board made their recommendation in 1990 to remove the float homes. At that time there were many options for the float homes and today there are few.

We are not asking you to overturn the 1990 decision though that would be helpful. We are requesting that you carefully review the alternatives that meet the parks primary objective to increase public access. We believe that the parks objectives can be met while retaining the float homes and keeping costs to a minimum.

Since the park staff is actually speaking next let me quickly reference their recommendation which is "Allow current leases to expire at the end of 2009 and have all of the float homes removed from Hidden Lake.

If consensus cannot be reached on this recommendation staff recommends the following:

Renew float home leases for a five to 10 year maximum period of time with a specific float home lease providing for no compensation to lessees upon termination."

While we have been working with the Park staff to develop a proposal that could provide a solution for all parties, we were quite distressed to see the recent staff recommendation especially the provision for no compensation.

The park staff is suggesting that the board support the 1990 decision. Yet, they are only selectively supporting that decision in their recommendation. They are requesting the removal of the cabins on one hand but suggesting that if it doesn't happen now the float homeowners should not be paid for their property. The latter part is not consistent with the 1990 board recommendation and is a bad policy decision which affects the economic interests of Idaho citizens. We find it very

concerning that the Park might consider offering a lease with no compensation that seems unfair and somewhat heavy handed given that cabins owners really have no options.

Heyburn is a very large park that is lightly developed and presently in need of significant repairs and maintenance. The park is approximately 4500 land acres and 2300 water acres. The park staff is proposing developing approximately 5 land acres in hidden bay. Hidden bay is 110 water acres 4,900 shoreline feet and the staff is suggesting that 1600 shoreline feet are developable.

The current park staff developed their land use proposal assuming land with up to 25% slope or grade (pretty steep slope) is usable. Let me reference you to the minutes of the November 3, 1989 meeting page 23. Mr. Mews Idaho chief of the development bureau and Mr. South the expert hired to assist the park in developing the GDP based their proposal upon different assumptions than the current staff. Part of why Mr. South recommended retaining the float homes is that he and Mr. Mews based their recommendations on the following guidelines. "Lands with < 5% slope are ideal for development. Lands with 5-10% slope are marginal for development. The remaining lands with > 10% slope are unusable for development but good for trails. We'd suggest that little of Hidden bay is good for development since almost all areas are banked by steep slopes.

With respect to costs – We appreciate that the staffs cost information is much improved but we would suggest that these estimates are still preliminary and low. We could call out several examples but for the sake of time we need to press on. Additionally, keeping the cabins generates over \$300,000 for each 10-year lease.

A main premise for the staffs development recommendations is the substantial unmet demand for boat and camping access. Yet we haven't been able to find clear evidence to support this premise and doubt that good data exists.

Year to date camping at Heyburn is down 13.2% based on the states website. Staff is proposing in Alternative 3 to build yurts and cabins but their survey states that almost 2x as many people want no development 14% as opposed to the 8% that want cabins or yurts by the waterway.

The boat survey indicates that boaters are interested in more docks and access but we don't know if there is increasing or decreasing demand since there is no comparative data. We don't know for sure that boats aren't getting access now though comments have been made to that effect.

We do know that boat registration in Benewah County is down over the last 5 years by .53%. Heyburn state park is in Benewah County.

Boat registration in Kootenai is only up 10% over the last 5-years which is less than 2% per year. A relatively nominal increase.

Additionally, not all the information on boat camping options is included. The staff's contention is that there is limited access for boats on the south end of the lake. To the contrary, Conklin is right around the corner and is not shown on these materials. Harrison is noted as having 4 docks. Between Conklin and Harrison I'd estimate that there are tie ups for 40 – 80 boats, plus some camping, water, showers, and cabin rentals.

We'd also like to note that the staff indicates they have interviewed and surveyed many people but they don't call out that numerous people want the float homes to remain. In fact, we are not aware of any constituency that is requesting our removal.

I don't know if the staff mentioned their discussion with the Benewah county commissioners. The commissioners were clear that, in their view, the cabins should stay.

Additionally, the Heyburn land cabin owners met in July. Their board passed a motion recommending that the float homes remain. I hope you have reviewed that letter. The association called out several important items including:

1. They were concerned that the Park might prioritize expenditures to remove or re-develop Hidden Bay prior to addressing Heyburn's basic infrastructure, maintenance, and repair needs. At the July meeting between the park staff and cabin owners there were numerous questions about dock repairs, dock replacements, road smoothing, oiling, etc. The park staff responded that they were doing their best but did not have the money or resources to address these issues now.
2. The association wondered whether spending money on hidden bay created the greatest positive public impact. Hidden bay will only impact a small number of boaters/ campers while improving the general park will impact many.
3. They also suggested that the park partner with the cabin owners to come up with some mutually agreeable solution.
4. They wondered if an environmental impact study had been completed? What will happen to the fish habitat, the shoreline, and will the simply bay grow over and becomes useless as it has in other areas? What will the impact be of destroying cabins?

Further, the Idaho legislature has supported the retention of float homes as a matter of state policy. They passed legislation recognizing that float homes have unique historical value and are protected under specific legislation.

Let me make a few comments with respect to the alternatives and add some suggestions:

by working together we can find away to manage the parks concerns about the escalating cabin cost buyout, public access into the bay and concerns about money to buy out the cabin owners and develop the area.

In all cases the Park board still reserves all rights to make future changes.

I'd like to invite Mr. Green up to pick up the discussion from here.

Mr. Green: My name is Timothy G. Greene and I am a float homeowner in Hidden Lake.

1. My remarks are brief and relate to Heyburn Park priorities. We speak to this because the expenditure of large sums of money and the commitment required to carry out what the Department is recommending to the Board puts us at the top of the Park priority list. We are not happy to find ourselves there and the Board should reorder the Park priorities in a way that meets Heyburn Park objectives and does not require the expenditure of a million plus dollars to get there. The Heyburn Cabin Owners Association letter signed by Mike Fereday on July 13 addressed to the Board which I understand has been given to you captures much of our thinking on the subject of priorities and solutions for the Park Board as they related to Hidden Lake.
2. Heyburn is a 7,000 acre park and there are many unmet needs....including basic infrastructure, maintenance, and repairs which should be addressed as the first priority.....The poor condition of Heyburn Park is well known and articles have been written to this effect. We believe the Park Board should focus first on returning Heyburn Park to a well-maintained Park.
3. Other Hidden Lake options should be considered by the Board as being more in the public interest and certainly less costly....Have all the development options in the Park been considered along with the Hidden Lake proposal. The Department is trying to secure 5 acres at great expense and with displacement of all float homes...How about the option of moving a few cabins, or buying cabins over time from willing sellers, retaining the lease payment base as a means of acquiring cabins or funding a camping site --- if that is to remain the objective.
4. The economics of the Departments proposal are weak.....giving up a revenue source, spending a significant amount of tax dollars to displace the float homes, eroding the County's tax base, creating an environmental problem, replacing a family oriented community in favor of a few campers does not add up....The Parks GDP consultant in 1989 commented on the float homes and observed that the steep incline in the bay made float home use the highest and best use of the bay. We continue to be troubled by suggestions we know are being considered by the Department including ongoing discussions that once the cabins are in their possession, they will embark on a program of rentals . It would be helpful to know the game plan and where the proposal fully implemented leaves the Park and the costs and risks involved.
5. We invite you to consider all facets of the proposal including revenue reduction to the Park and the local community impact. My understanding is that a Commissioner from

Benewah County is here today. I think it would be instructive for the Board to permit the County to be heard on this subject at this meeting.

6. There is an opportunity to work toward goals, which meets the Park Board's objectives, minimizes the expenditure of significant funds, and, I suggest, end up in a spot more in line with the general public interest. I have suggested two that are worthy of consideration. The float homeowners are not interlopers. As you know, float homes were present before there was a Park. We see ourselves as stewards, we make lease payments and maintain Hidden Bay with no attendant cost for the Park.
7. As fiduciaries, we trust you will balance the suggested costs against the stated benefits and reject the Department's recommendation. We see the Department's proposal as a case of misplaced priorities and missed opportunities...The opportunity remains, however, to find a better solution with direction from the Park Board and we are willing and anxious to help in any way deemed helpful. Thank you.

Mr. Wynn Mosman will now address the Board.

Transcription forthcoming

ATTACHMENT #2

August 3 2006

Transcript of discussion regarding Hidden Lake

Mr. Lombard: Actually, Madam Chairman, I'd like ...is someone a spokesman for the group?

Mr. Green: We divided it up between the three of us representing the views of the float home owners.

Mr. Lombard: I'd just like to make a comment, a year ago, that the Board voted and said to you very plainly that the float homes will not stay in the park under the present condition and for the float home owners get together and figure out what you could do, satisfactory to you and us and resolve that. Have you done any of that?

Mr. Greene: We haven't had any conversation the department. The last time, my recollection of the last meeting of the Board there was deadlocked with a marina or some other solution....However, the Board has clearly expressed its views in terms of reaffirming the 1990 decision. We understand that. If your question is, have we come up with some solution while we spent our time and efforts to fashion a compromise that we think would make sense with the parks objective and meets the needs of the float homeowners.

Mr. Lombard: Have you done that?

Mr. Green: Yeah, I think we've....well we just decided, I think, in the presentation what we would like to do.

Mr. Williams: Just to clear things up, so you think that the compromise is for the Board to extend the leases for ten more years? That's the compromise in their mind? That's the solution?

Mr. Greene: If the Board's intention is to develop five acres, if that's the focus, that the understanding, it's not clear that, that's not entirely locked in but if that is the focus, those five acres are available with some minor consolidation. If the objective is we want float homes, we want to reduce the presences of float homes, the suggestion is that you do that over time and under a lease, continue the lease payments and use the funds to retire the float home acquisitions and work through that course... I think those at leastthere is a list of about eight alternatives but those I think rank at the top.

Mr. Hancey: But as the lease is written, if they want to extend that lease via to their heirs, do they have that option?

Mr. Greene: The lease can be renewed to the current leaseholder. So it would be a function what can they transfer, can they sell it, could it be fashioned that the parks would have the right of first refusal of a sale under a new lease.

Mr. Hancey: So you are saying, right now, that the leases are not automatically extended to heirs?

Mr. Greene: No.

Mr. Hancey: Because you are bringing up attrition but what attrition would there really be if they can sell it or pass it on to their heirs?

Mr. Greene: Well I think the question would be in a subsequent lease as to whether the Park Board is comfortable. That would be a question for the Board and transfer to the immediate family? If it weren't, it weren't. If you want right of first refusal we can have it crafted in such a way that that would work.

Mr. Hancey: Because right now I agree with you. That we don't have sufficient advantage to wholesale change everything at the park but it will come at a time. Whether it's ten years or twenty years, I don't know but it will come and the vistas and views of the lake, the homes for most people that's not what they want. And the we are suppose to respond to the public and the public says we want a nice pristine, as clean and uncluttered view as we can give them. The lake homes do give a cluttered view for us. So if we just leave the lease as it is, and we go another ten years and we have the same position only that the values have gone up even more, what is it for

us? Why don't we just do it now and say no, we'll pay the million dollars or whatever it is and walk away. So I don't see what you're really offering us to make it someday that we can phase out other than something saying well perhaps there's attrition and that's not really an available option.

Mr. Greene: Well part of my understanding is that part of the proposal was for development, maybe part of the development was to take all the float home owners out but at the same time that was part of the development plan.

Mr. Hancey: There had been talk about developing that one area where there is sandy soil. Yes.

Mr. Greene: Our suggestion is that's the focus and if there is a way to do that without spending the million plus dollars to take all the float home owners out. Ten years from now, you may have adequate resources to take us all out in one breath. My argument was that the Park Board has all the options. We're really saying given the current circumstances, there are options that we think are attractive to the Board and to the float home owners.

Mr. Hancey: So you would be amiable to a consolidation, bringing them down and giving us a little more space.

Mr. Greene: Correct.

Chair McDevitt: Could we have our attorney general give us the interpretation of the buy out section of the lease?

Mr. Greene: He certainly could....I'd asked Dave White at one point when we first....

Chair McDevitt: He's here and I want him to speak right now.

Mr. Strack: Our interpretation of the buyout position is basically that...

Mr. Williams: I think I think that if we call it a termination provision rather than a buyout position because my reading of it, it is not necessarily states that there is a buy out. My reading says one of the options is to have the lessees move the float homes and we would pay for that cost up to some value. That is not a buyout so calling it a buyout is not that right terminology. It's really a termination position term in the lease.

Mr. Strack: Again our interpretation of the buy out position is that it is as it says here "the termination provision which had two options:

1. Is to purchase the improvement basically of the float homes at fair market value
2. Is to pay for the cost, the actual cost, of the removal and there is a cap on that cost of one-half of the actual market value, fair market value of the float home."

My understanding here is they would interpret the Board's previous motions and decisions to overrule the lease but our interpretation is that, this is fairly common, is that a written agreement overrides any previous decisions. A signed written agreement between the lessor and lessee, so this would be overriding of the Board's previous vote and would be the controlling...this basically is documenting the legalization between the department and the lessees and, of course, these decisions really....unless there is some kind of compliance or stopped up areas that sometime would come forward but if necessary a written document, we believe this would be in control.

Mr. Lombard: Would you restate that statement?

Mr. Strack: There is a written lease here that controls the legal relations between the department and the lessee. The written lease provides that at the termination which occurs at the end of 2009, that the department has the option of either purchasing the float homes or pay for the actual cost of removing those float homes which would probably be substantially less. There is a cap on that of one-half the share market value of improvements. Now there is, as I understand, areas that the previous Board vote perhaps there is some kind of compliance or ...that we rely on that but basically that occurred in 1990. Here we have a document that states that ten years later they were well aware of what the document contents were when they signed it autonomously and so

this document would control the legal relationship between the department and the lessees at the time of termination.

Mr. Mosman: Just the Board 1990, indicated they were going to buy the homes, that was said by Mr. Neil and clearly detailed in the minutes. The question then whether the staff has the authority to overrule the authority of the Board and draft a lease that is contrary to that statement. That's really the question.

Mr. Hancey: Wasn't the Board to approve that lease?

Mr. Mosman: No.

Mr. Hancey: You are saying that the staff had a lease and we never presented to the Board approval.

Mr. Mosman: I'm saying staff apparently was not aware of that that lease had been drafted, contrary to the specific directive of the Board.

Director Meinen: One comment directed by the Board member either for it or against it, the Board voted on the proposal and it passed and a comment by Mr. Neil is a comment by Mr. Neil. I do not see where that a ruling figure of one when the Board as a body made up it's mind. The majority voters went in one direction.

Mr. Mosman: I would be happy to read directly from what those minutes said as part of the motion if you would like me to. The minutes, this in your packet, section V for minutes of the 1998 Board meeting:

"Mr. Neil said his understanding of what the motion was, the parks department will expect float home owners to abide by the State health regulations in regards to sewage, but some day down the line within the next 20 years, the Parks department would buy the float homes at the appraised value." Is that correct? And the minutes also say that Mr. Neil said the motion was to treat a float home similar to the other cabins that are being phased out and that means to buy them. Mr. Thompson asked Mrs. Robinson if that was the way the motion was and Mrs. Robinson said yes. The motion passed.

Mr. Klatt: First of all, we are dealing with a lease that was signed nearly ten years later that would have been reviewed by the Board and approved by a different Board. One Board can't bind a future Board to it's course of action accordingly to how the Board law works. And secondly, we're really talking about two different things here. I would like think the we're looking to see if there is a compromise that actually gives is a way to move forward with this and we're going to be talking about termination to this and we definitely know that is going to be ligatory and we're not going to be sitting at a Board level making decisions that's going to be in a court. So I would like to see us move on with David White's presentation and then see if we can reach a conclusion.

ATTACHMENT #3

☐ IDAPA RULE ☐ IDAPA FEE ☒ BOARD ACTION REQUIRED
☐ BOARD POLICY ☐ INFO ONLY, NO ACTION REQUIRED

AGENDA
Idaho Park and Recreation Board Meeting
Best Western Lodge at River's Edge
Orofino Idaho
August 2-4, 2006

AGENDA ITEM: **Heyburn – Hidden Lake Development**

ACTION REQUIRED: **BOARD ACTION REQUIRED**

PRESENTER: David White

DIVISION ADMINISTRATOR: Dean Sangrey

PRESENTATION

BACKGROUND INFORMATION: At the April 2005 Board meeting, the Board voted to stand behind the 1990 decision that after 2009, leases for the float homes would no longer exist as they are today. They also directed staff to come back to the October 2005 Board meeting with an extensive list of options for the development of Hidden lake. The summary would include appropriate costs and estimated revenues. Staff presented this information, including a recommendation, to the Board in October 2005. The Board did not reach a resolution.

The Board directed staff to move forward on research pertinent to the issues and to bring the information back to the Board at the Orofino Board meeting in August 2006. Hence, following is a summary of staff's actions to date and the various available options for consideration.

Staff held three public meetings (one each in St. Maries, Plummer, and Coeur d'Alene) to gather public input. They have met with the float home owners on several occasions to gather input and discuss options. Staff also met with the Benewah County Commissioners to update them on the status of Hidden Lake and encourage them to provide written input as well. In response to these meetings, the following written input was gathered.

PUBLIC WRITTEN COMMENT SUMMARY

TOTAL NUMBER RECEIVED – 10

SUMMARY OF COMMENTS

- Leave as is – 5
- Connect float homes to campground
- Water to campground, fire protection
- Sewer to campground
- Relocate 4 cabins in front of flat area – 4
 - ⇒ Develop a campground, beach, dock(s) for boat-in use
- Buy out owners that do not want to stay – 2
- 20-year lease with option to renew – 3
- No marina setting
- No boat mooring buoys
- Leave shoreline from beaver dam to bridge in natural state
- No fishing docks
- Support consolidating float homes
- Minimum of 10-year lease – 2
- No lease verbiage that states “Move it or lose it”
- Allow float home movement now
- Remove un-maintained float home
- Minimize movement of float homes
- Move float homes to empty areas, opening up other open areas
- Use areas already open between float homes
- Leases need to be drafted that recognize that float homes are different than the land-based cabins.
- Leases should be drafted with the float homeowners input.
- Leases should be long term 10-20 years.
- Require a 24-30 month notice to cabin owners regarding changes that affect the float homes.
- Park should have the right of first refusal on the sale of float homes.
- If the Park notifies the float home owners of changes; the float home owner should have the right to require the park to buy him out at FMV similar to the parks first right to buy out cabin owners.
- The agreement needs to provide the right for an appraisal to establish FMV.
- Utilize use numbers in determining needs.

In 2005, the Department conducted a survey of Lake Coeur d’Alene/Kootenai County boaters to determine what, if any, type of development they would like to see on the lake. Following are the pertinent results of that study.

KOOTENAI COUNTY BOATERS SURVEY RESULTS

| | |
|-------------------------------------|-----|
| Docks | 36% |
| Public Beaches | 31% |
| On-Shore Restrooms..... | 32% |
| Water Access Only Camping..... | 28% |
| Floating Restrooms..... | 20% |
| No Development..... | 14% |
| Cabins/Yurts Close to the Lake..... | 8% |

The Idaho SCORTP 2003-2007 indicated the following user needs and trends:

- Top Public Issues
 - ⇒ #2 Protecting Existing Public Land Access
 - ⇒ #11 Providing Additional Public Land Access
- Idaho Activity Participation – 2001 Population 1.2 Million
 - ⇒ Boat Camping – 70,000 users
 - ⇒ Bicycle Camping – 29,000 users
 - ⇒ Yurt Camping – 37,000 users
 - ⇒ Lake Fishing: Shore – 566,000; Dock/Pier – 318,000
- Camping Preferences
 - ⇒ #4 Boat Camping
 - ⇒ #9 Bicycle Camping
 - ⇒ #11 Yurt Camping
- Idaho Boating Plan – Goal 2: Increase Availability, Access, and Multiple-use Of Waterways For Recreation.

In conjunction with this, area user Statistics reflect the following:

- Boating
 - ⇒ 20,559 Kootenai/Benewah Registered Boats in 2005
 - ⇒ 13.5% Kootenai, Bonner And Latah County Boaters Camped On Boat = 2,800 Kootenai/Benewah Boats – IDPR Survey
 - ⇒ 6,800 Users Mowry, Windy Bay, Loff’s Bay, and Mica Bay – AVISTA 2004 Survey Estimates
- Biking
 - ⇒ 47,000 Trail of the Coeur d’Alenes Bicyclists

In review, Hidden Lake contains 24 float homes as shown in Attachment A: Hidden Lake Aerial Photo. This photo also shows the location of the four float homes that moved out of Hidden Lake due to the Board's 1990 decision. Hidden Lake facts, as indicated in Attachment B: Hidden Lake Area Facts Map, are as follows: lake size, 110 acres; shoreline, 4,950 feet; developable area (slope <25%), 5 acres; developable associated shoreline, 1,600 feet; developed shoreline trail in place; and Trail of the CdAs is nearby. Public boating facilities are limited on the Lake CdA area as shown in Attachment C: Lake CdA Area Boat-In Camping Opportunities.

To assist in determining what, if any, options might be available to consolidate the float homes, local staff determined that a minimum water depth of 12 feet would be required to insure that they would remain floating at the lowest potential water depth. They also determined an average width for just the float homes themselves to be approximately 50 feet. Based upon this, staff calculated the total linear distance required to consolidate the float homes side by side to be approximately 1,500 feet. Attachment D: Float Home Consolidation Requirements Map shows the area with the minimal water depth required and the approximate space required to consolidate them.

In 2005, staff also checked with various entities that oversee float homes on both Lake CdA and in Bayview on Lake Pend Oreille. At that point in time, they found out that there appeared to be no areas left to move float homes to within the Lake CdA drainage without buying property and then getting written permission from adjoining neighbors to moor the home, which at this point in time would be almost impossible. (As noted in Attachment F: Preliminary Appraisal/Counseling Letter potential relocation opportunities have recently changed.) Following is a complete summary of the various float home locations as identified by staff:

FLOAT HOME MARINA INFORMATION

Blue Creek Bay (5 float homes) and Wolf Point area (10 float homes) at the north end of the lake – septic systems located on adjacent private lands.

Beauty Bay, 9 float homes – located on leased ground, septic systems on shore.

Conklin Park area, 7 float homes (Tribal water) – septic systems located on shore on private property. Tribe plans to eliminate float homes by December 31, 2010 as stated in their Lake Management Plan that was recently approved. They based this date upon the Board's 1990 decision.

Lower 1/3 of Lake Coeur d'Alene (Tribal water), various independent float homes including five located just outside the park boundary/Hidden Lake, four of these moved from Hidden Lake based upon the 1980 Board decision – drain fields are located on private land, all to be eliminated as previously indicated by December 31, 2010. No lease fee since they own the land but currently paying the Tribe an encroachment fee of \$1,000 per year.

Bayview, 91 float homes (Lake Pend Oreille) – three separate marinas all owned by Hudson Bay Resort, all tied into city sewer. Currently, lease fees range from \$2,400 to \$2,800 per year depending upon view.

In approximately 2000, float home owners began pumping their waste water into holding tanks on shore and then barging it over to and transferring it into the park's boat pump out station located at the Chacolet Marina. This waste water is combined with the effluent from several other park facilities in the area and pumped into a drain field. Staff noticed what they thought were springs near the drain field in 2001 but as it turns out it was actually the first signs of failure. This drain field totally failed the summer of 2005 after only nine years of use. Staff is in the process of determining adequate alternatives to replace the drain field.

The 1990 Board decision stated "that the board accept the [Heyburn] general development plan with the exception of the 28 float homes and that they, too, be phased out in a program that is appropriate or similar to the one we have for the cabins." Hence, the 1989 Board approved Heyburn State Park Recreational Residence Lease, which provides common in pertinent part as follows:

19. Termination by Lessor.

Should Lessor decline, for any reason, to reissue any recreational residence lease which has expired by its own terms, improvements shall be disposed of as follows:

a. Improvements constructed with Lessor's approval shall, at the option of Lessor be:

(1). Purchased by the Lessor at the fair market value of the improvements as of the date of expiration of the lease; or

(2). Removed by Lessee, with Lessor paying the actual removal costs incurred by Lessee but not to exceed one half (1/2) of the fair market value of the improvements as of the date of expiration of the lease.

b. Improvements constructed without the approval of Lessor shall, at the option of Lessor, be:

(1). Removed and the site restored to a natural condition, by Lessee at Lessee's expense; or

(2). Removed and the site restored to a natural condition, by Lessor at Lessee's expense; or

(3). Left on the premises and be forfeited to the Lessor as liquidated damages for breach of the lease condition requiring that only improvements which have been approved by the Lessor may be constructed upon the leased premises.

20. Fair Market Value of Improvements.

The fair market value of improvements (non-movable personal property, including but not limited to recreational residences and associated outbuildings, but excluding movable household goods and furnishings and the value of the leasehold) shall be determined by one of the following methods.

a. Assessor's Valuation. The appraised value for tax purposes as established by the Benewah County Assessor; or

b. *Single Appraisal. The value ascertained by an appraiser and appraisal process mutually agreed upon by Lessor and Lessee, costs of appraisal to be shared equally between Lessor and Lessee; or*

c. *Two Appraisals. The value resulting from the average of values ascertained by state certified appraisers, one (1) selected by Lessee and one (1) selected by Lessor, each party to bear the cost of its appraiser.*

21. Termination by Lessee.

In the event a lease expires and Lessee chooses not to enter into a new lease, if offered by Lessor, Lessor has the right to require Lessee to remove all improvements on the recreational residence site, and to require Lessee to restore the site as nearly as is reasonably practical to its natural condition, at Lessee's expense.

The current county assessment of the float homes is provided in Attachment E. The assessments range from \$20,268 to \$77,530 for a total of \$1,045,703. With respect to actual Fair Market Value (FMV), the department contracted an appraiser to assess this value with respect to today's market and potentially 2009's market for reference. Due to the appraiser getting a late start due to a number of factors and the fact that the market has changed over the past six months and is still evolving (see Attachment F: Preliminary Appraisal/Counseling Letter), the appraiser has not completed value estimates. This report will hopefully be completed and provided to the Board no later than August 1, 2006.

Factoring in all of this information, staff developed the following list of options for consideration:

OPTIONS TO CONSIDER

GENERAL

- Do nothing and leave as is.
- Consolidate Float Homes (3 Options)*
- Remove all Float Homes
- Develop Hidden Lake for public recreation use.*

* Both of these options could be phased in as needed or funding is available, or the changes made all at once.

FLOAT HOMES

- Dry Cabin Design – minimize all water and wastewater, to be packed in and out
- No large wastewater storage containers
- Incinerator Toilets Only
- No pumping water from the lake
- Reduce/Minimize Space Allowed for Float Homes and Associated Amenities
- Eliminate/Relocate Boat Houses and Extra Docks
- Separate/Specific Lease

| | | |
|---|-------------|-------------|
| • Sewage Disposal Fee | | |
| • Annual Lease Fee Based Upon Fair Market Value | | |
| • Development Options with Cost Estimates | <u>2006</u> | <u>2009</u> |
| ♦ Septic Drain Field* | \$150,000 | \$200,000 |
| ♦ Shoreline Consolidation* | \$234,900 | \$328,860 |
| ♦ Marina Configuration* | \$471,900 | \$660,660 |

*Specific associated costs are provided in Appendix G.

| | | |
|---|-------------|-------------|
| <u>HIDDEN LAKE: Development Options with Cost Estimates</u> | <u>2006</u> | <u>2009</u> |
| • Hike/Bike/Boat-In Campground (cost/site) | \$5,000 | \$7,500 |
| • Harden Trail | \$20,000 | \$45,000 |
| • Vault Toilet | \$25,000 | \$40,000 |
| • Flush Toilet | \$50,000 | \$70,000 |
| • Water | \$5,000 | \$7,000 |
| • Docks (cost/dock string) | \$20,000 | \$30,000 |
| • Cabins/Yurts (cost/unit) | \$25,000 | \$30,000 |
| • Septic Drain Field | \$150,000 | \$200,000 |
| • Fishing Docks/Piers (cost/dock string) | \$20,000 | \$30,000 |

Based upon these options, staff developed the following alternatives.

FLOAT HOMES

Alternative 1: Consolidate the float homes into a marina configuration using two dock strings and minimizing space allowed for float homes and amenities at the southwest corner of the lake (see Attachment H: Hidden Lake Float Home Alternative 1 Map).

Alternative 2: Consolidate the float homes minimizing space allowed for float homes and amenities along the southwest edge of the lake's shoreline (see Attachment I: Hidden Lake Float Home Alternative 2 Map).

Alternative 3: Relocate three to five of the float homes in front of the area deemed developable to other open areas along the lake's shoreline (see Attachment J: Hidden Lake Float Home Alternative 3 Map).

Alternative 4: Renew leases for a specific period of time with no provision for renewal nor compensation to lessees upon expiration.

Alternative 5: Renew leases under current lease agreement.

Alternative 6: Allow current leases to expire at the end of 2009 and have all of the float homes removed from Hidden Lake.

Due to the failure of the park's nearest drain field that the float homes were using to dispose of waste water, each of these scenarios except number 5 would require either

the development of a sewage disposal system with a lift pump and potential drain field located above the developable area or the float homes to become “Dry Cabins”. Scenarios 1 through 4 would also require the development of a specific float home lease addressing changes and improvements and associated costs, and reflecting FMV for a float home lease.

HIDDEN LAKE

Alternative 1: Develop the approximately five-acre flat area for boat/bike/hike-in use to include approximately 12 campsites with amenities, a vault toilet, water, and dock space for 12 boats. Harden the trail into the area for bike/hike use. (see Attachment K: Hidden Lake Development Alternative 1 Map)

Alternative 2: Install two to four docks for day use only boat use and fishing access along the shoreline associated with the developable five-acre area, including a vault toilet. Harden the trail into the area for fishing access. (see Attachment L: Hidden Lake Development Alternative 2 Map)

Alternative 3: Develop three to five camping cabin/yurt sites with associated amenities including water, vault toilet, and additional dock in the southern end of the five-acre developable area. Harden the trail into the area for bike/hike use. (see Attachment M: Hidden Lake Development Alternative 3 Map)

Alternative 4: Leave as is with no development of public facilities.

ACTION ITEM

STAFF RECOMMENDATIONS: Based upon the information gathered that reflects a high need for public boating facilities and the 1990 Board’s decision to phase out the float homes, staff advocates adhering to this action by recommending the following:

Float Homes:

Alternative 6: Allow current leases to expire at the end of 2009 and have all of the float homes removed from Hidden Lake.

| | <u>ASSESSED VALUE</u> | <u>APPRAISED VALUE</u> |
|-----------------|------------------------------|-------------------------------|
| Costs: Purchase | \$1,045,703 | To be |
| Removal | \$522,852 | provided. |

If consensus cannot be reached on this recommendation staff recommends the following alternative:

Float Home Alternative 4: Renew float home leases for a five to 10 year maximum period of time with a specific float home lease providing for no compensation to lessees upon termination.

Hidden Lake: (see Attachment N: Hidden Lake/Float Home Recommended Alternative Map)

Alternative 1: Develop the approximately five-acre flat area for boat/bike/hike-in use to include approximately 12 campsites with amenities, a vault toilet, water, and dock space for 12 boats. Harden the trail into the area for bike/hike use. This would be the initial development of the area for public use. Funding could come from WIF and RTP grants.

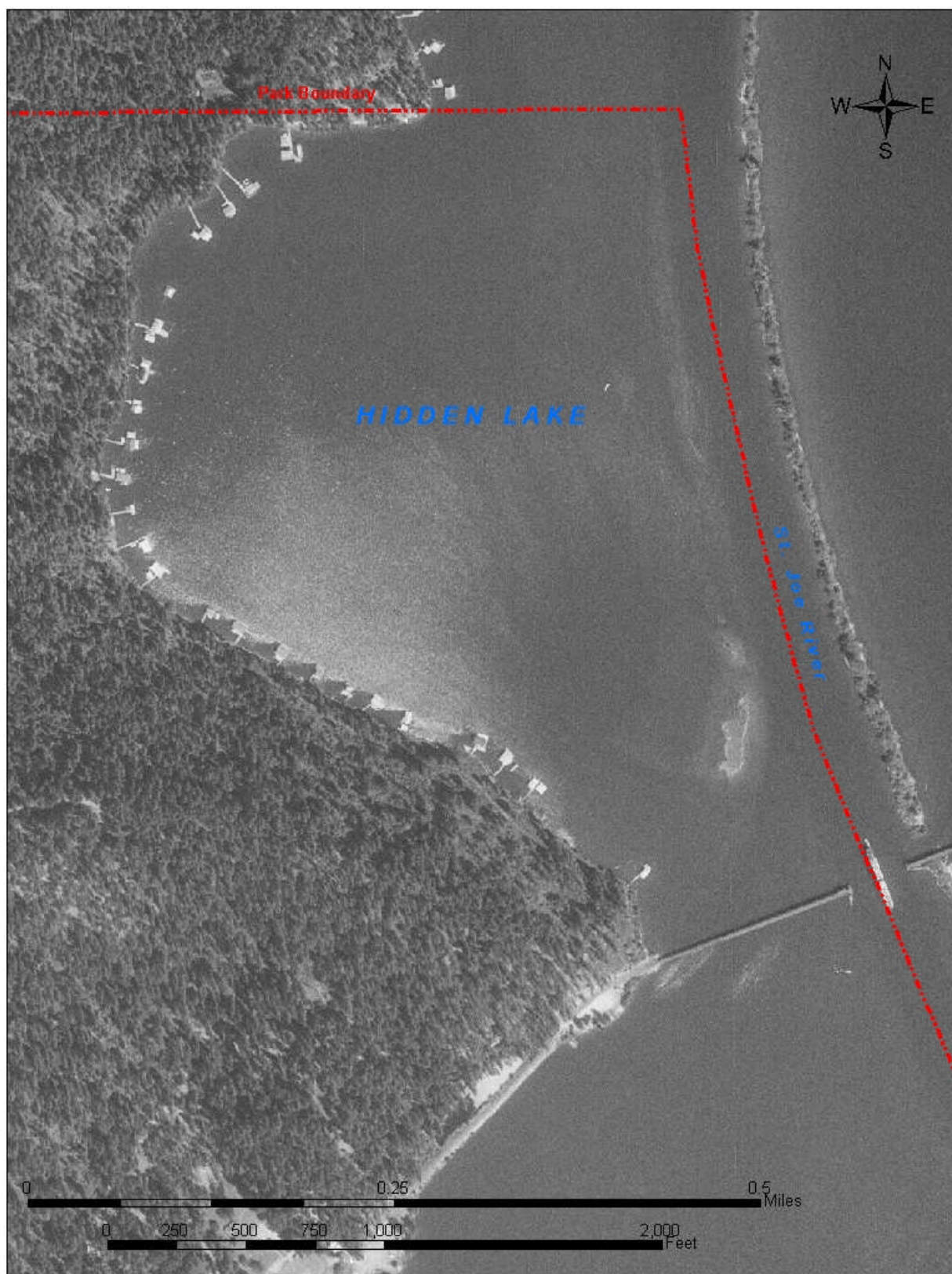
Costs: \$242,000 (development) Revenue: \$6,300/year
\$5,000/year (O&E)

And

Hidden Lake Alternative 3: Develop three to five camping cabin/yurt sites with associated amenities including water, vault toilet, and additional dock in the southern end of the five-acre developable area. This development would follow as funds become available. Funding could come from WIF and RTP grants as well as potentially LWCF.

Costs: \$227,000 (development) Revenue: \$7,725/year
\$7,000/year (O&E)

* Camping and Camper Cabin O&E Costs and Revenue are based upon 30% occupancy during the Memorial to Labor Day season (103 nights) at 2007 fees for a typical campsite (\$12) and camping cabin (\$45) with overnight moorage (\$5) to show that annual revenues will be greater than annual costs.



Attachment A: HIDDEN LAKE AERIAL PHOTO



Attachment B: HIDDEN LAKE AREA FACTS MAP

Lake – 110 Acres

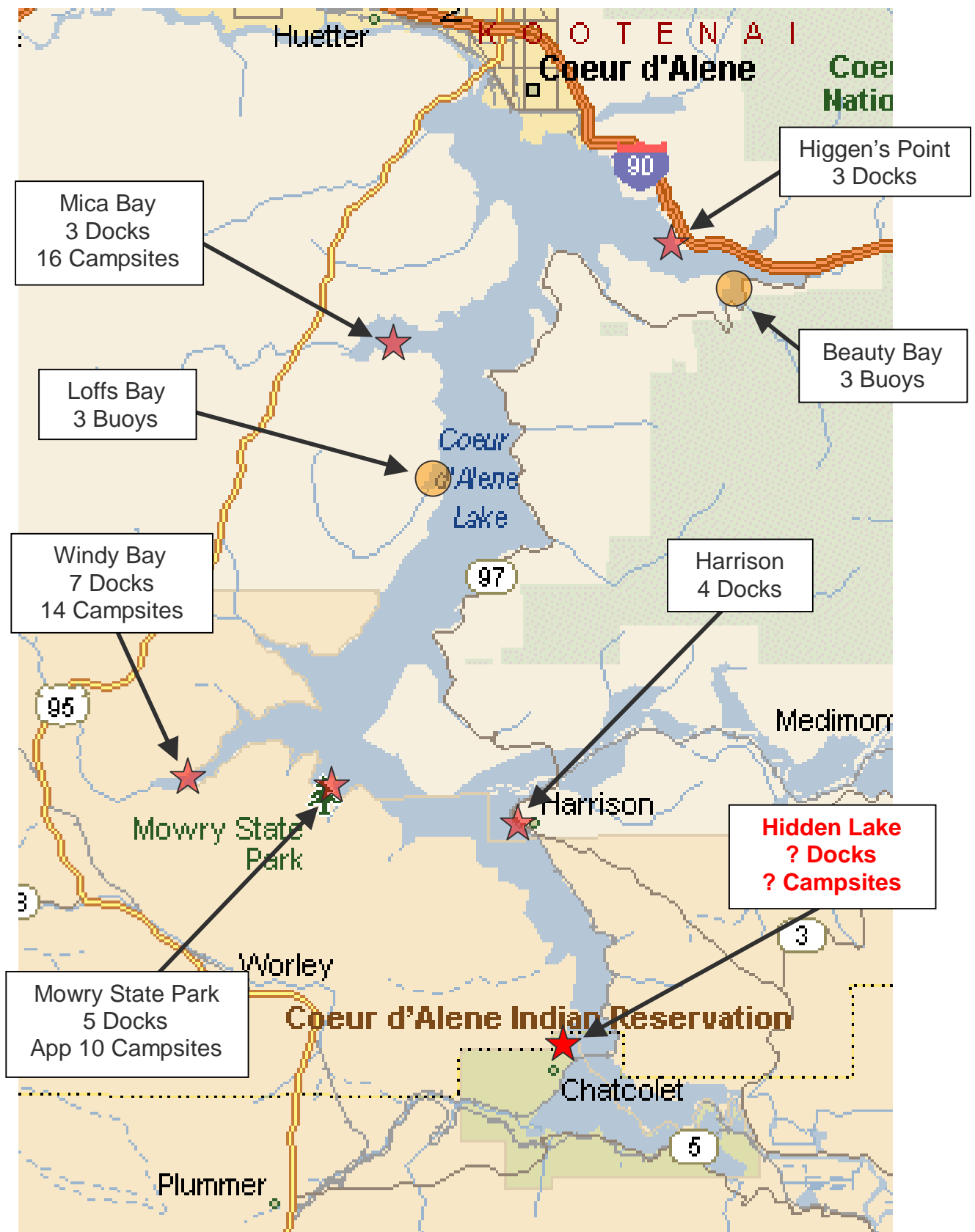
Shoreline – 4,950 Feet

Developable Area – 5 Acres

Developable Shoreline – 1,600 Feet

Shoreline Trail

Trail of the CdAs



**Attachment C: LAKE CDA AREA BOAT-IN
CAMPING OPPORTUNITIES MAP**

31,872 Surface Acres



Attachment D: FLOAT HOME CONSOLIDATION REQUIREMENT MAP

12 Ft. Water Depth



2,250 Linear Feet



Attachment E:

**HEYBURN STATE PARK
HIDDEN LAKE FLOAT HOMES STATISTICS**

| LEASE # | LAST NAME | FIRST NAME(S) | ADDRESS | CITY | ST | ZIP | HIDDEN BAY SITE | *DATE OF PURCHASE | PURCHASE PRICE | 2006 LEASE PAYMENT | FLOATHOME COUNTY VALUATION | ANNUAL TAX PAID |
|----------|------------|-----------------------|--------------------------|------------|----|-------|-----------------|-------------------|-----------------|--------------------|----------------------------|-------------------|
| 700-F-09 | KOONTZ | JAMES B & MICHELLE | 4242 E 12TH AVE | SPOKANE | WA | 99202 | 22 | 1994 | \$10 | \$1,300 | \$45,280 | \$332.82 |
| 701-F-09 | BRITZMANN | J. B. & JOAN L | 625 N MOORE STREET | MOSCOW | ID | 83843 | 26 | pre-1975 | unknown | \$1,300 | \$48,010 | \$371.92 |
| 702-F-09 | CHESNUT | BERNADINE A | 5224 W GREEN CT | RATHDRUM | ID | 83858 | 30 | 1974 | unknown | \$1,300 | \$77,530 | \$596.50 |
| 703-F-09 | MARTIN | GARY & SHEILA | PO BOX 116 | SPRAGUE | WA | 99032 | 17 | 1996 | \$36,000 | \$1,300 | \$42,891 | \$317.92 |
| 704-F-09 | EISINGER | JEFF & DEBBIE | 733 CONESTOGA | MOSCOW | ID | 83843 | 18 | 1984 | unknown | \$1,300 | \$38,265 | \$296.92 |
| 705-F-09 | KIMBERLING | DAVE & LEANN | 9125 75TH AVE CT EAST | PUYALLUP | WA | 98371 | 6 | 2001 | \$40,000 | \$1,300 | \$48,920 | \$357.84 |
| 708-F-09 | LEWIS | BRAD & JENNIFER | 2214 ORCHARD AVE | MOSCOW | ID | 83843 | 12 | 2003 | \$50,000 | \$1,300 | \$45,726 | \$335.28 |
| 709-F-09 | SPRENGER | LINDA & MIKE | 1341 TAMARACK | MOSCOW | ID | 83843 | 5 | 2000 | \$36,000 | \$1,300 | \$38,804 | \$284.20 |
| 710-F-09 | GREENE | TIMOTHY G & PATRICIA | 1026 WALLEN ROAD | MOSCOW | ID | 83843 | 14 | 1994 | \$26,500 | \$1,300 | \$64,547 | \$467.16 |
| 712-F-09 | DENHAM | MICHAEL E & MARTY J | 1752 ROLLING HILLS DRIVE | MOSCOW | ID | 83843 | 13 | 1995 | unknown | \$1,300 | \$44,572 | \$329.66 |
| 713-F-09 | LOGAN | LAVAIN A & ARLENE L | PO BOX 178 | FAIRFIELD | WA | 99012 | 10 | 1987 | \$15,000 | \$1,300 | \$34,064 | \$259.22 |
| 714-F-09 | GRAINGER | JAYSON | 817 E THURSTON AVE | SPOKANE | WA | 99203 | 4 | 2001 | \$0 | \$1,300 | \$33,060 | \$258.78 |
| 715-F-09 | STELLMON | WILLIAM A & MARLENE H | 1122 10TH AVENUE | LEWISTON | ID | 83501 | 23 | 1991 | \$26,500 | \$1,300 | \$59,860 | \$473.60 |
| 716-F-09 | MACFARLANE | DOUGLAS | 201 S ASBURY #2 | MOSCOW | ID | 83843 | 16 | 1976 | unknown | \$1,300 | \$42,949 | \$318.98 |
| 718-F-09 | MOSMAN | ROY E & BARBARA G | 1416 PINE CONE ROAD | MOSCOW | ID | 83843 | 28 | 1987 | \$12,500 | \$1,300 | \$49,714 | \$390.22 |
| 719-F-09 | MARTSON | MONTE & MARGARET | 525 N BLAINE | MOSCOW | ID | 83843 | 20 | 1992 | \$10 | \$1,300 | \$50,061 | \$367.08 |
| 721-F-09 | PEDERSON | WAYNE & SUE | 4211 E HOPE AVENUE | POST FALLS | ID | 83854 | 8 | 2002 | \$32,000 | \$1,300 | \$38,960 | \$303.76 |
| 722-F-09 | MAYER | HENRY & MARILYN | 5211 E 16TH AVENUE | SPOKANE | WA | 99212 | 1 | 1988 | \$2,870 | \$1,300 | \$20,268 | \$155.80 |
| 724-F-09 | TROUT | WALTER | 1405 RICHARDSON AVE. | LEWISTON | ID | 83501 | 27 | 1982 | \$1 | \$1,300 | \$48,938 | \$359.42 |
| 725-F-09 | SIMMONS | L. A. & CELINE | 839 STEWART AVE #B | LEWISTON | ID | 83501 | 19 | 1972 | unknown | \$1,300 | \$45,554 | \$345.98 |
| 726-F-09 | SANDQUIST | KENNETH & LYNDA | PO BOX 457 | TROY | ID | 83871 | 21 | 1984 | \$5,000 | \$1,300 | \$27,013 | \$203.00 |
| 727-F-09 | SNOW | GERALD J | 14952 MASTERS DRIVE | CALDWELL | ID | 83607 | 9 | pre-1975 | unknown | \$1,300 | \$47,662 | \$352.10 |
| 728-F-09 | VEAL | BECKI | 6603 GRETCHEN LANE | DALLAS | TX | 75252 | 11 | 1997 | \$0 | \$1,300 | \$30,130 | \$224.32 |
| 731-F-09 | GOODSPEED | BRAD M | PO BOX 2 | PULLMAN | WA | 99163 | 24 | 1988 | \$18,500 | \$1,300 | \$22,925 | \$163.44 |
| | | | | | | | | | | | | |
| | | | | | | | | TOTAL | | \$31,200 | \$1,045,703 | \$7,865.92 |
| | | | | | | | | AVERAGE | \$39,500 | \$1,300 | \$43,571 | \$327.75 |
| | | | | | | | | | | | | |

* Purchase Price Average is based upon data from 1999-2004 excluding lease # 714-F-09 which was purchased for \$0. Sites indicating unknown Purchase Price were in existence prior to IDPR lease program.

Attachment F:

See Attachment 4

**PRELIMINARY APPRAISAL/COUNSELING LETTER
of
24 Private Floathomes at Hidden Lake
in Heyburn State Park**

For

**The Idaho Department of Parks & Recreation
Attention: David White, North Region Supervisor**

**Report #06-07.FH
Effective date of valuation – July 10, 2006
Report Date – July 24, 2006**

By

**Sandy Emerson, CGA-251
Idaho General Appraiser**

**EMERSON VALUATION
408 Sherman Ave., Suite 209
Coeur d'Alene, ID 83814**

(208) 769-7046

FAX (208) 664/3336

Attachment G:

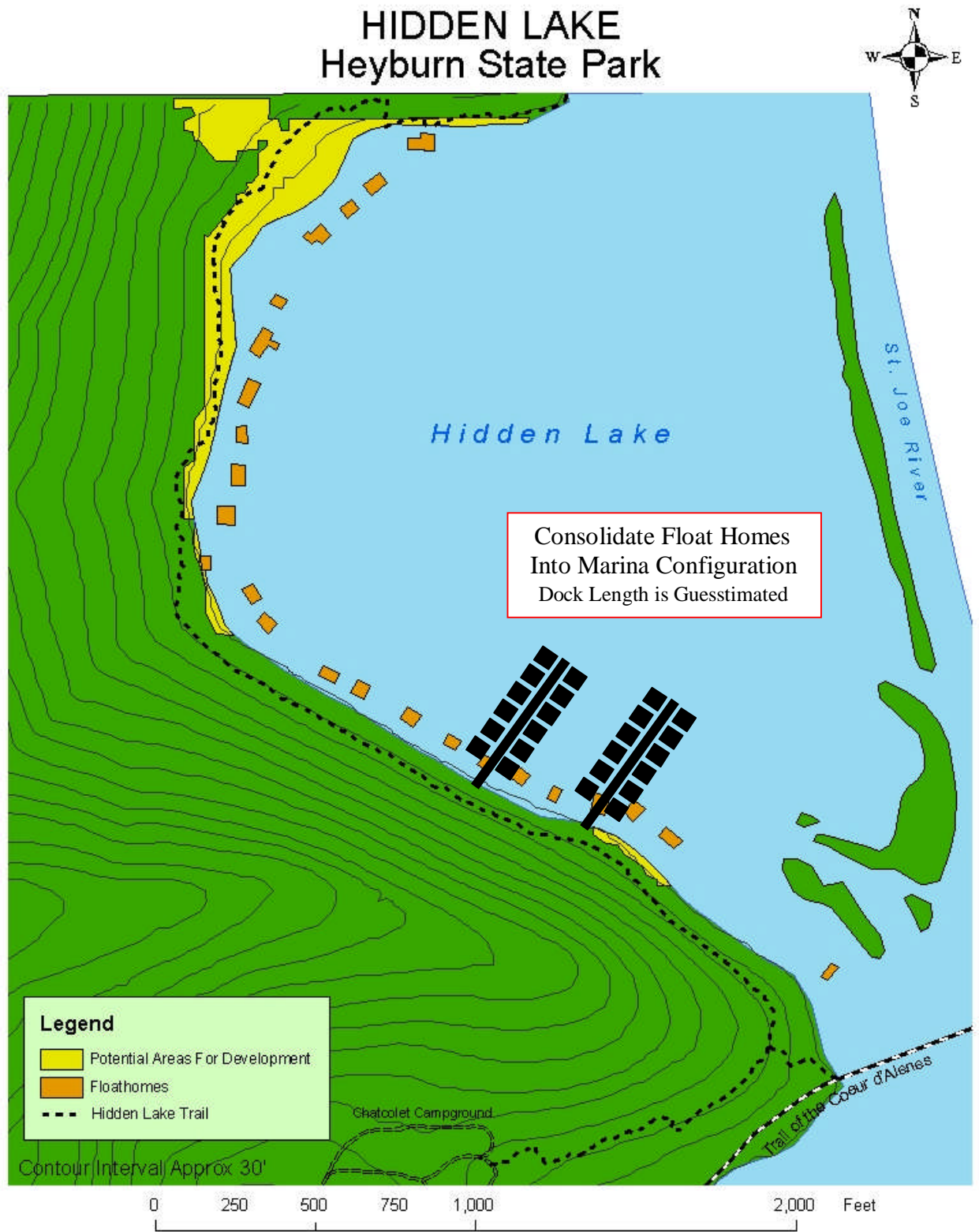
HIDDEN LAKE FLOAT HOME CONSOLIDATION COSTS
HEYBURN STATE PARK
SHORELINE CONSOLIDATION **ESTIMATED COST**

| ITEM DESCRIPTION | ESTIMATED COST | |
|--|-------------------|-------------------|
| | 2006 | 2009 |
| Steel Pilings (48 - 10"X45', 2 per float home) | \$ 72,000 | \$ 100,800 |
| Electrical Service (100 amp per home) | \$ 84,000 | \$ 117,600 |
| Demo and Moving | \$ 36,000 | \$ 50,400 |
| Contingency Fee | \$ 42,900 | \$ 60,060 |
| TOTAL | \$ 234,900 | \$ 328,860 |

MARINA CONSOLIDATION

| ITEM DESCRIPTION | ESTIMATED COST | |
|--|----------------|------------|
| | 2006 | 2009 |
| Cedar Float Log Dock with Choice Deck (7000 sq. ft.) | \$ 210,000 | \$ 294,000 |
| Steel Pilings (30 - 10"X45') | \$ 45,000 | \$ 63,000 |
| Electrical Service (100 amp per home) | \$ 84,000 | \$ 117,600 |
| Water | \$ 10,000 | \$ 14,000 |
| Sewer (1 pump per 350' of dock) | \$ 25,000 | \$ 35,000 |
| Demo and Moving | \$ 36,000 | \$ 50,400 |
| Aluminum Commercial Gangway and Landing (2 - 4'X40") | \$ 19,000 | \$ 26,600 |
| Contingency Fee | \$ 42,900 | \$ 60,060 |

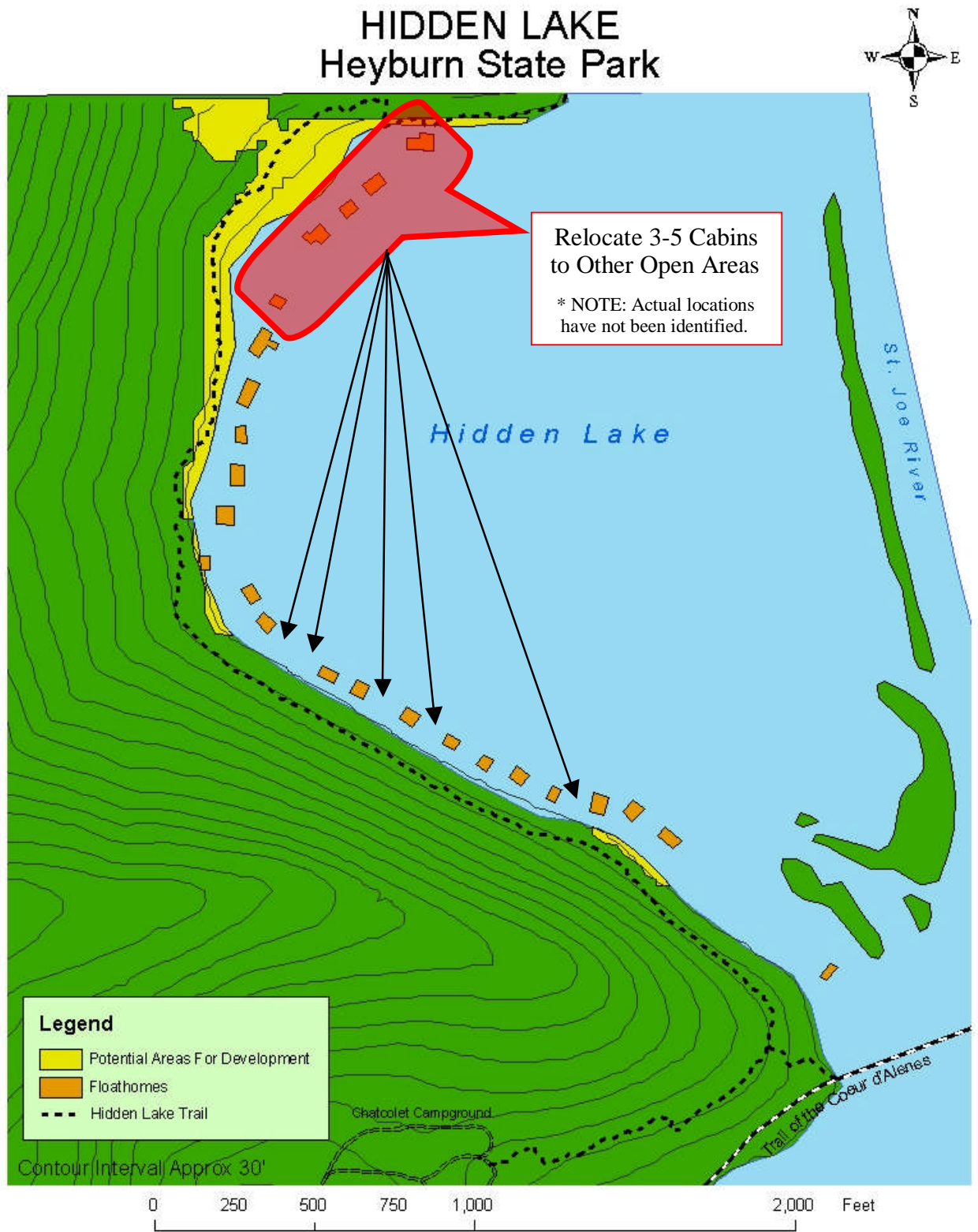
| | | |
|-------|------------|------------|
| TOTAL | \$ 471,900 | \$ 660,660 |
|-------|------------|------------|



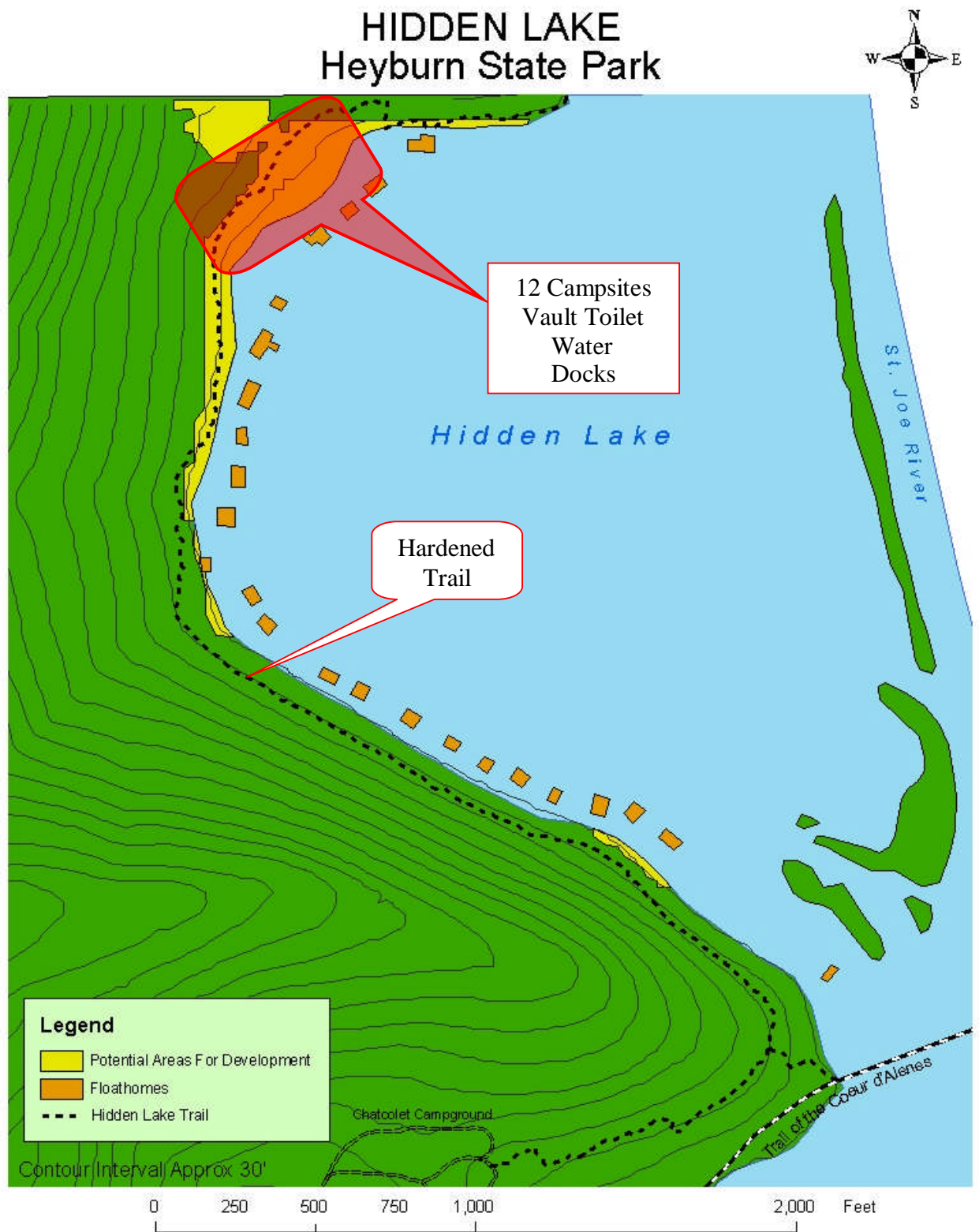
Attachment H: HIDDEN LAKE FLOAT HOME
ALTERNATIVE 1 MAP

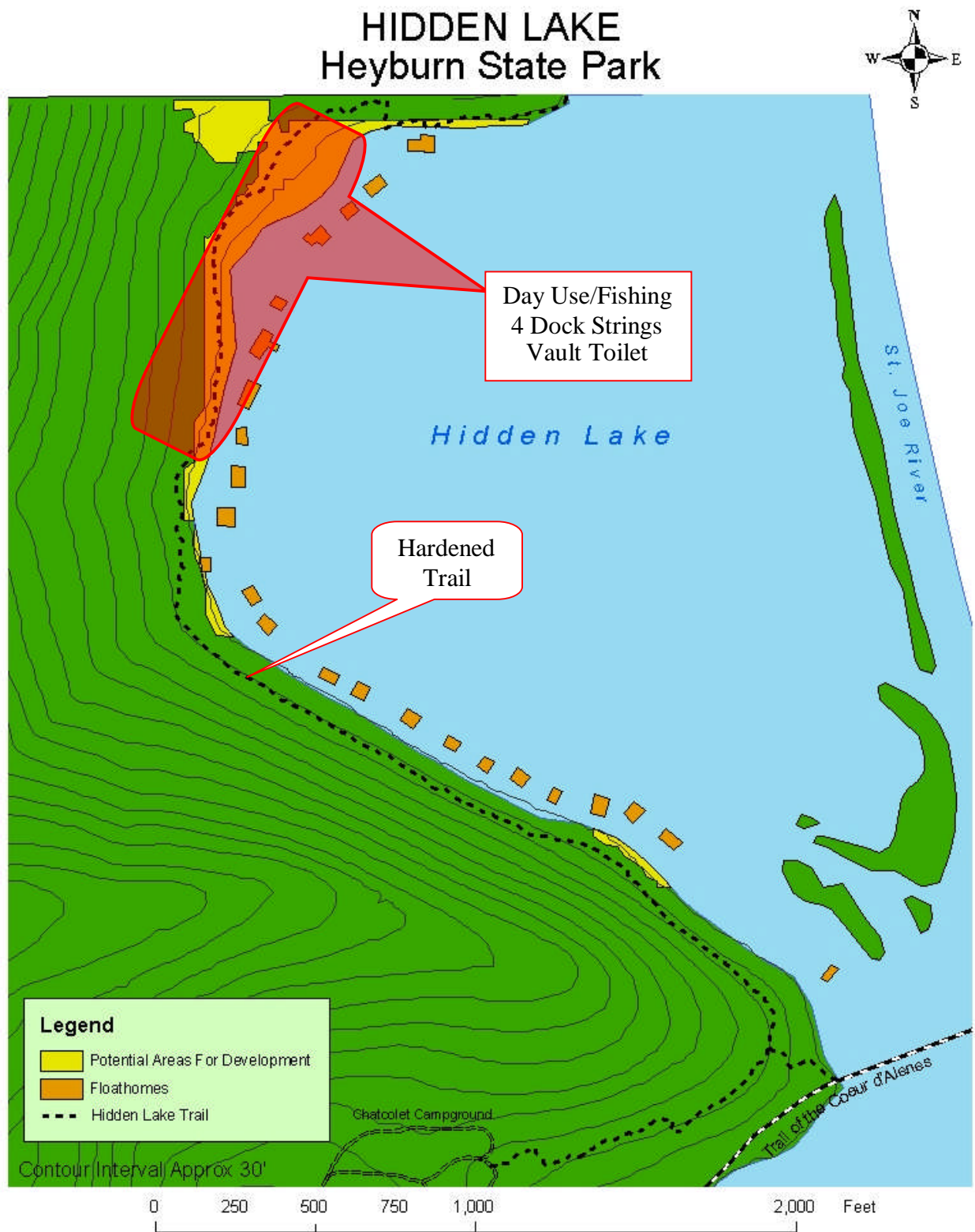


Attachment I: HIDDEN LAKE FLOAT HOME
ALTERNATIVE 2 MAP



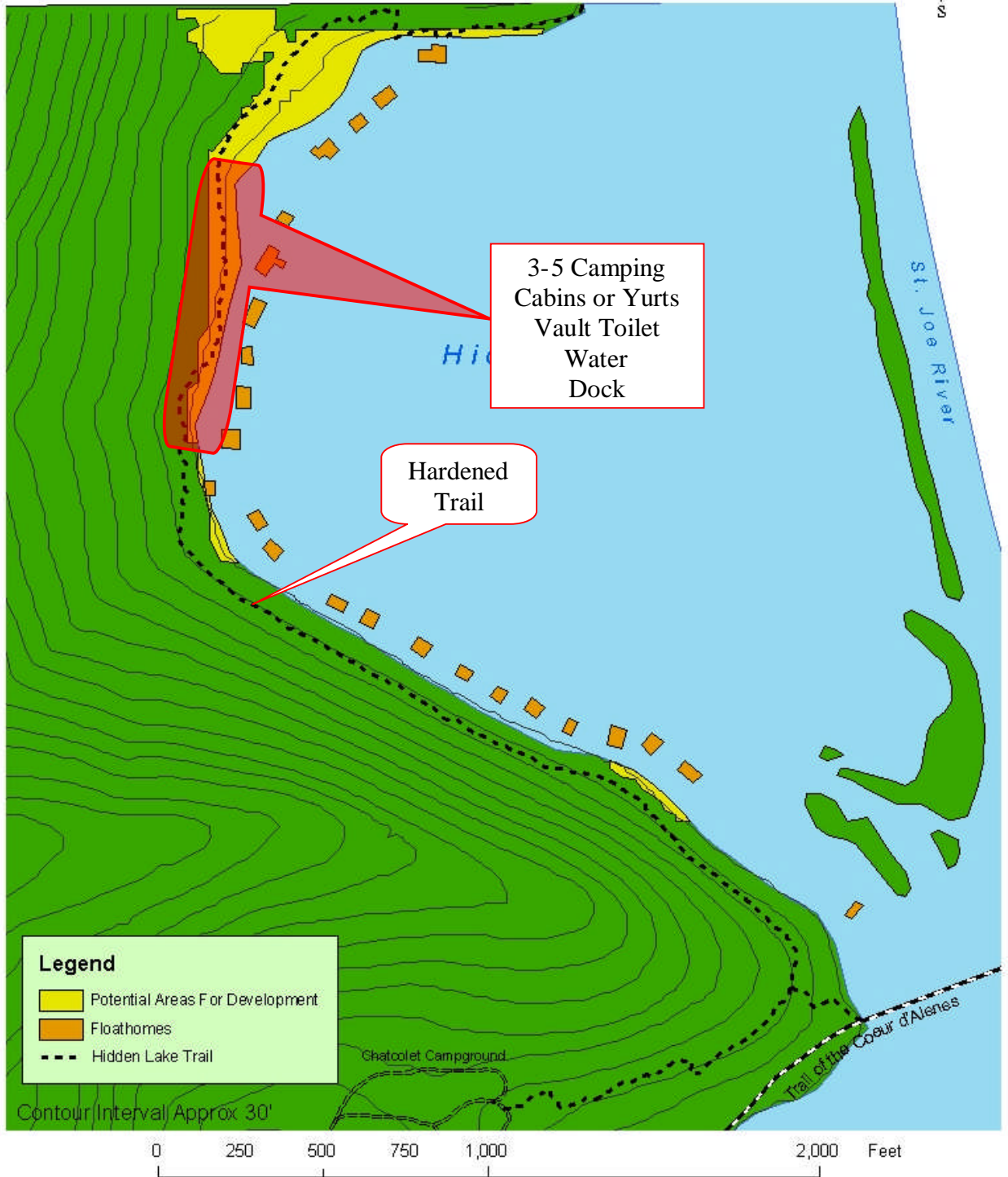
Attachment J: HIDDEN LAKE FLOAT HOME
ALTERNATIVE 3 MAP





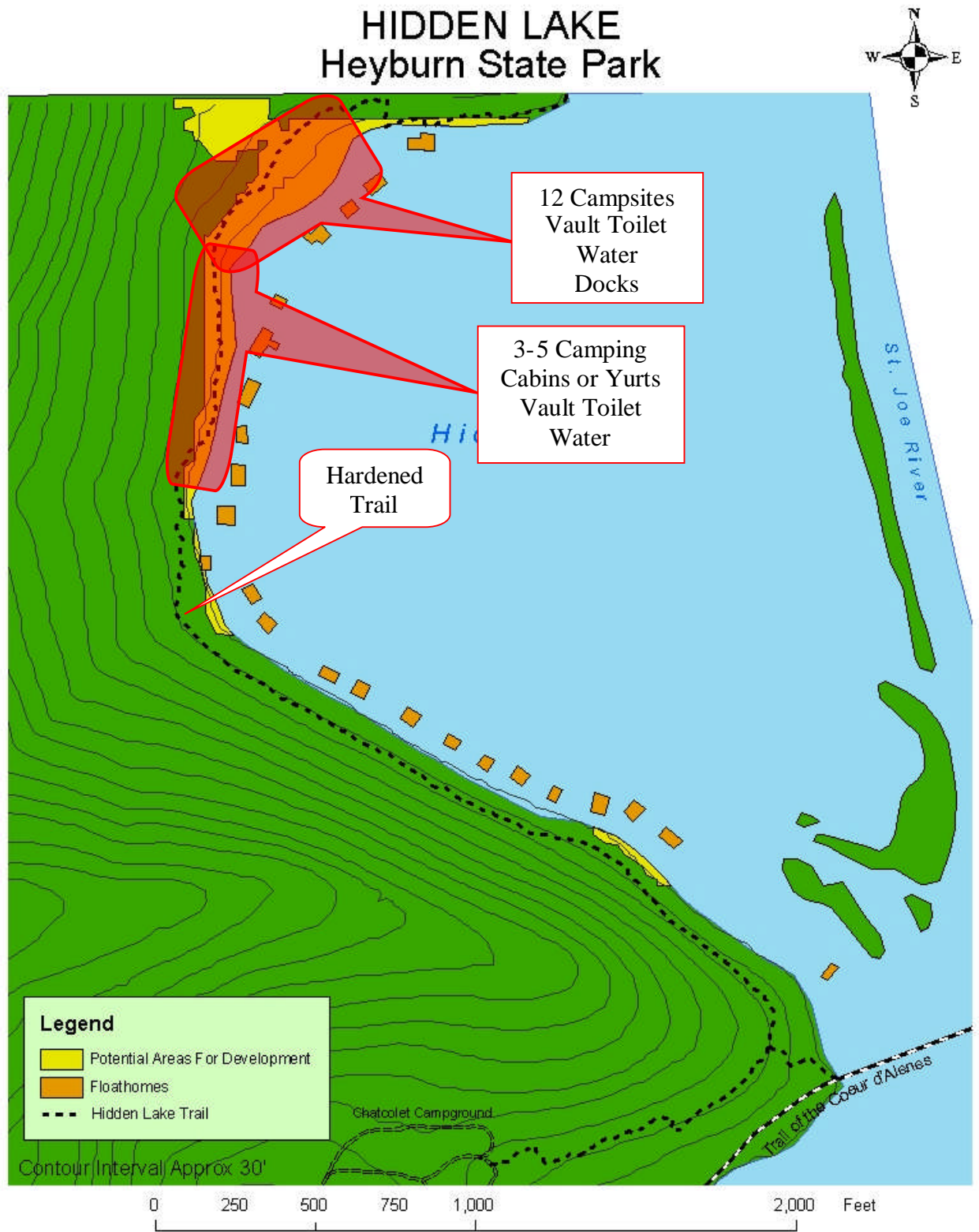
Attachment L: HIDDEN LAKE DEVELOPMENT
ALTERNATIVE 2 MAP

HIDDEN LAKE Heyburn State Park



R. Hise 03/16/05 1:4,600

Attachment M: HIDDEN LAKE DEVELOPMENT ALTERNATIVE 3 MAP



**Attachment N: HIDDEN LAKE/FLOAT HOME
RECOMMENDED ALTERNATIVE MAP**

ATTACHMENT #4

**PRELIMINARY APPRAISAL/COUNSELING LETTER
of
24 Private Floathomes at Hidden Lake
in Heyburn State Park**

For

**The Idaho Department of Parks & Recreation
Attention: David White, North Region Supervisor**

**Report #06-07.FH
Effective date of valuation – July 10, 2006
Report Date – July 24, 2006**

By

**Sandy Emerson, CGA-251
Idaho General Appraiser**

**EMERSON VALUATION
408 Sherman Ave., Suite 209
Coeur d'Alene, ID 83814**

(208) 769-7046

FAX (208) 664/3336

July 24, 2006

David White, North Region Manager
Idaho Department of Parks and Recreation
2750 W. Kathleen Ave.
Coeur d'Alene, Idaho 83815

RE: Preliminary Appraisal Report for +/-24 Floathomes located at Hidden Lake in Heyburn State Park

Dear Mr. White:

I am hereby transmitting the appraisal you requested for the Heyburn floathouses located on Hidden Lake in Heyburn State Park. Because of the issues involved, the type of property, and the current trends and economic conditions, this report is presented as a preliminary appraisal counseling letter in preparation for the appraisal(s) of the individual floathomes that are the subject of this analysis and report.

The purpose of the report is to estimate the value of the individual floathomes in their "as is" condition; both as if they could be relocated to a suitable site, or sites, elsewhere on the lake or its tributaries, and, as if the park leases were terminated and no alternative site(s) were available. The intended users of this report are you as the client on behalf of the Idaho Department of Parks and Recreation, the IDPR resource management and other staff, and members of the State Parks Board.

The effective date of valuation is July 10, 2006, the date of exterior inspection by air. The date of the report is the date of completion of the preliminary analysis and discusses the market conditions at the time of the report. Market conditions after the effective date may change, and a followup report would need to be completed for future dates. The current market activity and economic trends for this type lake property are analyzed and discussed in this report.

I have personally inspected the property from the lake and by air in preparation for this report. Maps and photos provided by the IDPR staff were used and relied upon, as were county maps and file information for the individual floathomes and their appurtenant structures. This is a preliminary report and the information it contains is presented in an overall manner with a estimated range of values and general discussion of market conditions and issues related to this type property.

Floathomes, boathouses, and docks generally are floating personal property with an interest in land, either by lease or fee title, for riparian rights that allow a state permit for uses over the state-owned lakebed as administered by the Idaho Department of Lands. No new floathomes or hard-sided enclosed boathouses are allowed under the state regulations, so those currently in place are "grandfathered," or allowed as pre-existing uses. Under the state regulations as administered by the IDL staff, the footprint of the existing floathome with its deck(s), boathouse, boatslip(s), docks, and access ramps is the pertinent characteristic under the permit. There are limitations as to the maximum allowable size, type, and even color under the state permit. "Grandfathered" structures have been allowed to continue and to be repaired, and/or rebuilt.

Structures above the deck for permitted floathomes are regulated by building codes, but not the state permitting, and some have been extended upward two or more levels. Because of the high price and increased demand for waterfront properties, and the lower relative cost of floathomes, coupled with the termination of floathome and boathouse leases at the Yacht Club Marina on Blackwell Island at the mouth of the Spokane River on Lake Coeur d'Alene, requiring their relocation, availability of and demand and market activity for them, when a long-term site is available, has increased significantly just in the past three to six months or so.

This counseling letter-appraisal explains the scope of the assignment, discusses the market conditions and trends, explains the valuation process used, summarizes the sales and other market data, and outlines the appraiser's assumptions and analysis. The issues involved with relocating and permitting of floathomes and boathouses are discussed as part of the trends and feasibility analysis related to the valuation of this type property, if they have to be relocated.

The report is prepared as a complete appraisal presented in summary format under the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP). A counseling element is included in the report as to the feasibility, absorption potential, and effects on the market under the condition that more than two dozen floathomes would be on the market and/or in search of suitable new locations about the same time. The appraiser is qualified to appraise the subject property (floathomes and docks are floating personal property and not real estate, by definition, although they are tied to land and riparian rights by a site specific IDL permit), and has experience appraising waterfront properties and floathomes in the Bayview area.

Besides two site inspections since undertaking this assignment, the appraisal process includes the use of the park maps and photos, county site and area maps, national forest maps, USGS topographical maps, and maps from other sources, including aerial photographs available from internet satellite mapping and photo services. It also included gathering pertinent market data from the area multiple listing service (MLS), confirming applicable zoning data, and reviewing file data from the county assessor(s), county planning and zoning, the State Department of Lands, and the Panhandle Health District (PHD). Information was also obtained from real estate brokers, agents, and other appraisers. Research and investigation for this report included researching the market for sales and listings of floathouses and dock sites with real estate brokers and developers familiar with that property type and use. Research also involved analyzing trends and area economic conditions for use in preparing the report. The value conclusions are based upon prevailing market conditions and legal uses under the zoning and regulations applicable at the effective date of the appraisal.

The appraisal is subject to special conditions as listed in the "Conditions and Assumptions" section of the Addenda attached to this report. The special conditions include historic uses, administrative processes, and agency policies for administrative approval. The individual floathomes were viewed from the exterior, and by using photos provided by the Heyburn Park staff, but were not inspected on the interior or onsite, so analysis of the condition of the decking, floatation, and interiors, and other details is not able to be completed other than by secondhand reports from park staff and county assessor field appraisers.

This is a preliminary analysis provided in advance of the full, complete report that will have value estimates for each of the 24 remaining individual floathomes at Heyburn Park with the various components making up each assemblage of private floathome living quarters with decks and porches, and that may include a boathouse, boat slips, and floating sheds, floating patio docks, other docks, and shore access ramps. This preliminary report is provided in preparation for the full analysis of each floathouse and its assembled auxiliary structures to follow. This advance report is done in order to help the client and others understand the full scope of the market and the changes that appear to be occurring due to current trends, and so the appraiser can also analyze the dynamics of having the owners find 24 or more locations suitable for this type use in the next three years, and possibly all during the last year.

The preliminary investigation included an exterior inspection of the subject floathouse colony in Hidden Lake, a review of front and back photos of each floathouse and its auxiliary structures, and other maps provided by the IDPR park staff. Interviews were conducted with the assessor's office staff in both Benewah and Kootenai Counties, and discussions with brokers and agents with experience handling transactions involving this type property, buyers and sellers of floathomes and boathouses on Lake Coeur d'Alene and its related and connected waterways, and other appraisers. It included interviews with the Idaho Department of Lands (IDOL) staff responsible for permitting "encroachments" over the state-owned lakebed, and staff at the Panhandle Health District (PHD) responsible for permitting sewage and "grey water" disposal systems around the lakes and waterways of the two counties.

The range of *assessed values* for the floathomes and their appurtenant structures in the Hidden Lake community is from \$20,268 to \$77,530. The one at the low end has a 408 square foot floathouse, an 8' x 28' patio dock in front, and a 6' x 36' boat dock with a shore ramp or gangway. The floathouse was built in 1966, and the boat dock is in poor condition. The one at the high end of the range of assessed values has a 1044 sf A-frame house on two levels that was built in 1975, a 2nd 480 sf 1 level floathouse built in 1957, 3 docks with 288 sf, 1496 sf, and 526 sf, an 80 sf covered boatslip, and a 32 sf shed on the uplands (possibly a former outhouse). From the exterior and photos provided by the park staff and the Benewah county assessor, it appears this flotilla of docks and buildings has been well-maintained and is in relatively good condition. It is noted that the assessor plans to update the inspections of the Hidden Lake community floathomes in 2006 since they have not been inspected or revalued since May of 2000. The assessed values have been adjusted upward by trending using market adjustment techniques only. The grand total of the 29 parcels, or "sites," the assessor tracks is \$1,045,703. Five of the park floathouse sites are listed as vacant and are the ones moved to Kootenai County in 1997. The range of assessed values for these 5 floathouses is \$60,375-\$83,779.

The range of assessed values for floathouses on Lake Coeur d'Alene in Kootenai County is from \$12,031-\$188,892. The two at the low end of the range were boathouses without much, if anything in the way of living area situated at O'Gara Bay on the east side of the lake south of Harrison. The owners reportedly used them to house their cabin cruiser boats that had sleeping berths and small galleys, plus "heads."

These boathouses reportedly were donated to the owner of the Harrison Dock Builders company and

were moved to property he owns at the mouth of the Coeur d'Alene River, just to the north of Harrison. He reportedly plans to rebuild them and has applied to have them moored on the submerged land there. He reportedly plans to apply for moorage for a number of floathouses that are to be relocated from the tribal waters at Conklin Park. The submerged lands at the mouth of the Coeur d'Alene River are flooded land that is held in fee title private ownership so generally are felt to have more than the general riparian rights that accrue to typical waterfront lots. It is interesting to note that sewer is available in this location from the city of Harrison. There also is a limitation in that the river flow is strong here during annual spring runoff and ice and debris flows can occur during periodic flood events.

The floathouses at the high end of the range are scattered around the lake. Seven nicer floathomes (assessed at \$65,000-\$115,000) and a few boathouses have been moored for decades at Conklin Park at the southwest side of the lake on tribal reservation waters. The Wolf Lodge Arm of the lake east of Coeur d'Alene is where 20 floathomes are in three main locations; Beauty Bay has an enclave of nine floathouses in a protected bay with privately leased sites adjacent to a large tract of uplands with waterfrontage in a single ownership. The land is mostly steep in this location lending its use to floathome moorage and that has been its use since the 1920s. The assessed values for floathouses and docks in the Beauty Bay community are from \$21,000-\$66,800. The one at the low end of the range is being totally rebuilt in 2005-2006 from the logs up. A few floathouses and boathouses are at Wolf Point going into Beauty Bay. One there was in very poor condition, having broken in two in the middle, and is being completely reconstructed as well. This floathouse, which was originally built in 1975 with 528 sf of living area sold in 10/2005 for \$18,000. Four are in Blue Creek Bay on the north side of the Wolf Lodge Arm, and a few are on either side of the Wolf Lodge arm, including six located on steep land between Moscow Bay and Beauty Bay on the south side. Kootenai County assessor's records list a total of 53 floathouses and boathouses on Lake Coeur d'Alene.

There are a few recent sales of floathouses and boat houses in Kootenai County due to those moored at the Yacht Club on Blackwell Island at the mouth of the Spokane River being given notice that the leases are being terminated by the new owner. They were to vacate in 2005, but the new marina project has been delayed and the relocation has been delayed. Most of these structures are large boathouses with some inside space for storage or sleeping rooms, but no plumbing or long-term living quarters. There were 12 boathouses at the Yacht Club, with a few having apartment-style living quarters. The assessed values for these structures range from \$23,625 for a 29' x 45' boathouse built in 1972 with an 11' x 35' patio/access dock, to \$67,272 for one built in 1963 with a 480 sf living area, in a 24' x 26' building that had a 9' x 24' outside patio deck in front by the shore. One of the larger boathouses at 24' x 42' and an open shop-storage area at the front sold in 2005 for \$25,000 and was relocated to a private waterfront home. This structure had no plumbing or finished living area. One at the upper end of the range at an assessed value of \$62,792 sold for possible relocation to a site on the Spokane River, but the permit for that is being challenged by surrounding property owners due to the changing water levels and high seasonal flows during the spring runoff conditions on the river. The purchase price for this floathouse was not disclosed by the buyer or seller at the time of this report. One sold at auction for unpaid county property taxes for \$41,000 in June 2006. This is a 30' x 50' floathouse with a studio apartment and a small patio dock in front.

The Kootenai County Assessor's office has tracked five floathouse and boathouse sales in 2004-2005 between \$16,000 and \$45,000. Sales in Heyburn Park are most often between friends or family and are not reported, so they may not represent arms-length-transactions at full market value. With so few sales reported, the trend is for increased assessed value estimates based on trending from other sales only since there are so few actual arms-length sales for this property type in any one year.

In the past year value assessments for floathouses and boat houses have increased from 35%-50% in Kootenai and Benewah Counties, respectively. Floathouse and boathouse assessments for 2005 in Kootenai County were initially trended at 115% of the 2003 assessment, but were reduced to 35% after appeals from virtually all the owners of this type property. The majority of the movement, or relocations, of this type personal property on the lake has consisted primarily of boat houses, or hard-sided boat garages without plumbing for cooking or sanitary facilities. These have been relatively easy to site and relocate, requiring only cooperation from adjacent property owners not to object to the new use and proof of riparian ownership by the acquiring applicant, as well as proof the boathouse has a pre-existing permit for its use and its established "footprint" on the water over the state-owned lakebed. Just a few actual floathouses have been relocated, and some of those were not sold, but were moved from one location to another by the owners or their families. If the move occurs within the same complex, the past practice has been simpler, allowing existing uses to continue, whereas relocating a floathouse to a new location requires full compliance with the applicable sanitary ordinances, in most cases. These can involve having a grinder-type pump and an approved septic drainfield site located 200'-200' from the lake on relatively level uplands with suitable soils for effluent absorption purposes, the same as for waterfront building sites. Most lake properties with those qualities are developed with onshore lakefront residences and have become too expensive for floathouse use, at about \$350,000-\$800,000 per site, or more. Finding a suitable floathouse site has become so difficult that in a few cases, the floating structures have been given to a marine contractor, or sold at a low price, to remove them. A 9.18 acre tract with 290 ff in Beauty Bay in a protected area near where other floathomes are located, with 4 tax-numbers and with some potential for a common drainfield sold in 2005 for \$350,000. Another lot with 0.63 acres and 75ff that is steep with difficult topography for an onshore cabin, but with septic approval, located on Bridger Trail Road at Wolf Point near other floathouses sold in early 2005 for \$159,000 after being on the market 3-4 months at an asking price of \$169,000. This was essentially a dock lot with road access and power and phone lines available. It was advertised for a float house site, but sold to a private party, possibly for a docksite for a place to dock a large cabin cruiser with a small cabin or onshore cabana and deck structure. A floathouse site is listed for sale at \$199,000 with a floathouse on 50 ff and 0.48 acres of steep, rocky hillside in Emerald Shores, a waterfront docklot subdivision between Moscow Bay and Wolf Point on the south side of the Wolf Lodge Arm of the lake. This property is unsold at the time of this report, but strong market activity is reported.

A 2.17 acre site with 7 lots and 67ff (in two places; 52 ff and 15ff) in an shallow, protected part of Rockford Bay by the Shooters Restaurant owned by the Blackrock Resort organization, has an asking price of \$535,000, including a newly refurbished floathouse that was moved to this location, and the owner is reportedly applying to locate another or others in the same and/or other locations. This property has been on the market for several years, with the owner acquiring additional lots in a marshy area with a narrow strip of land between the lake and road.

Sales of floathouses at Bayview on the south end of Lake Pend Orielle at the north side of Kootenai County have been substantially higher, with some of the more elaborate ones selling for \$200,000 to the latest reported at over \$650,000. There are more than 100 long-established floathouses in four marinas in Bayview, and they come in a wide range of quality and condition. Some at about 700sf-800sf have sold for \$35,000-\$63,000 over the past 2-3 years with sales in 2005 at \$144,000 for a 2-level 875 sf floathouse reported at \$144,000, and one with 1259 sf and a separate boathouse listed for sale at \$199,000. These are in an area that is well-established and they have their own sites within dock complexes that have had sewer and water lines extended to each of them. There is some confusion in this market at the time of this report, however, since an investor who has purchased two of the marinas has announced plans to change the lease arrangement to a condominium concept. This is being challenged by the floathome owners, and the state IDOL has stated that such practices are not allowed under the state permit process, but a marina on Lake Coeur d'Alene has "gone condominium" over the past 3-5 years with all the boatslips selling out at \$10,000-\$50,000, and covered slips for large boats and some of the largest open slips have been resold at \$100,000 or more.

The State Park Board has adopted a master plan to eliminate private uses on the publicly-owned land at Heyburn Park over time, and some onshore cabin lease sites have been reacquired over the years under various circumstances that has allowed the cabins to be demolished and the sites to be returned to a vacant, relatively natural condition. The leased floathouse sites at Hidden Lake in the park that are the subject of this report have been placed on notice that they will be terminated for more than a decade with the current extensions due to end in 2009.

Sanitary facilities appear to be the major factor in the relocation and siting of floathomes on Lake Coeur d'Alene with living quarters, bathrooms, and kitchen facilities. Some at Heyburn Park have historic use of upland cesspools or drainfield areas and there are a few old outhouses, most of which have been converted to general purpose storage sheds since digging new vaults when the old ones fill up is not allowed. Some have commercial incineration toilet systems (Incinolets), and some use floating storage or holding tanks that they have been emptying in the park's dockside pumpout station. The park reportedly has put out notice that this practice exceeds the design capacity of the system and the holding tanks must be disposed of elsewhere. County and private pumpout stations are located at Conkling Park and Harrison docks but they are designed for smaller boat-size system use and may not be available for dwelling type system effluent disposal.

When a floathouse is moved, the state requires “agency review” of a new permit request, which includes the PHD, and their technicians state that suitable upland septic drainfields are required for living quarters with bedrooms and onboard bathrooms. There are only a few locations where this might be possible, and those include Harrison where city sewer is available, Beauty Bay where upland septic has been approved, and on individual lots that are too steep for waterfront cabin sites, but that have a more-or-less level area that could be suitable for a septic drainfield, but not a lakefront residence. Existing individual floathouses with incinerator-type electric toilets and holding tanks for “grey water” from the sinks and shower have been allowed to be relocated by the health district in some cases.

In anticipation of having to comply and relocate at some point, five floathouse owners from Hidden Lakes moved to privately-acquired land just outside and north of the park at an area known as “The Gap” where the St. Joe River channel terminates into Lake Coeur d’Alene. This area is on the southwest side of the lake near Conkling Park Marina where several boathouses are located. Ironically, or unfortunately for these owners, the property is in the Coeur d’Alene Tribe of Indians reservation, and the tribe has been awarded legal jurisdiction over the lake and river uses in court. They have also given notice to owners of floathomes and hard-sided boathouses on the reservation waters that the use will be terminated and those structures must be removed, or in the case of boathouses, the enclosed sides will have to be removed. The owners have appealed the order from the tribe.

This places pressure on any sites, or locations that may be suitable for this type use on the lake(s) or rivers that are tributary to the Lake Coeur d’Alene system.

There also are few recent arms-length transactions in the Hidden Lake floathome community, but older sales reported by the Benewah County Assessor’s office include 5 sales in the last 10 or so years between \$20,000 and \$50,000, the most recent reported sale being at the top of the range for Hidden Bay Floathouse Site #12 with an 850 sf floathome built in 1980 and remodeled in 1985.

As a result of having few recent sales on which to base comparisons for valuation purposes, both assessors use trending techniques for “market” adjustments based on sales of other types of waterfront properties in the same market area, and per square foot and per unit replacement cost figures to support their valuations.

In summary, as a preliminary report, prior to analyzing each of the subject floathouses and their

appurtenant auxiliary docks, decks, boathouses, boatslips, patio docks and gangways in the Heyburn Park floathome community for individual estimates of market value, the following factors and characteristics as well as current market conditions are apparent:

- 1) Relocation of boathouses has become necessary at the Yacht Club Marina on Blackwell Island as the new owner, the Hagadone Corporation plans a new marina that will not include floathouses or boathouses. This movement requirement has resulted in the IDOL becoming somewhat more accommodating than in the past for boathouse relocations when the neighboring property owners do not object, the location appears suitable, and the structure to be moved is structurally sound enough for relocation. As a result, an active market for boathouses has developed in the past 6 months or so.
- 2) Floathomes and hard-sided boathouses have been given until 12/31/2010 to be removed from Cd'A Tribal waters when permits for that use will no longer be issued by the Tribe. Similarly, floathomes and their related auxiliary docks and other structures must be removed from Hidden Lake at Heyburn Park by 2009 under the current timeframe presented by the Parks Department Board. There are 24 floathouse sites with 25 floathomes and various appurtenant structures, including boathouses at Hidden Lake, and the Tribal waterways office reports there are 12 floathouses and 40 boat "garages" within the tribal waters to be relocated. This results in a grand total of 37 or so floathouses that will need to be relocated in 2009-2010 under the current conditions and deadlines.
- 3) Floathouses with bathrooms and kitchens need to meet agency review as part of the permit application process. This includes showing all wastes and waste water will be transported to shore disposal systems by a method approved by the IDEQ / PHD under those agencies' sanitary permitting requirements. Incinerator-type toilets have been approved and grey-water holding tanks are an option for existing systems in some cases. This is an administrative function that can change as personnel and/or policies change in an increasingly difficult political and environmental climate.
- 4) Most floathomes at Hidden Lake in Heyburn Park have an assortment of structures including boathouses, patio docks, boatslips, and connector docks, as well as shore ramps and gangways, besides the floathouse itself. Some have a 2nd story and one of the sites has a 2nd floathouse for guests or family members' use. It would be difficult to find a site suitable for the entire conglomeration of structures for the entire complex as would be moving some of them. Others are typical of this type use with 2-3 docks and structures.
- 5) Sites suitable for septic drainfields tend to be used for lake cabin sites and are not generally available for floathouse use, and/or are too expensive for this use to be financially feasible. Few sites with enough frontage and upland area for a common drainfield are available, but those that can be found may be suitable for floathouse community use. A single 75 ff site at Wolf Point outside of Beauty Bay with septic drainfield approval that had steep topography so was advertised as a floathouse site sold for \$159,000 in early 2005, but the owner reportedly plans to use it for a dock lot for mooring a large cabin cruiser or houseboat. A 9.18-acre site in Beauty Bay with 290 ff that could possibly be used for up to 4 floathouse sites or so sold in mid-2005 at \$350,000, or a unit price of \$87,500 per site. A 2.17-acre shoreline strip in the back of Rockford Bay with 7 lots, but only 52 ff + 15 ff, has a floathouse and an asking price of \$535,000 and is unsold. An 0.48-acre lot with a floathouse at Moscow Bay on Lake Cd'A is offered at \$199,000 and is unsold.
- 6) The assessed value range for floathouses with their appurtenant structures at Heyburn Park in Benewah County is \$20,268-\$77,530, for a total of \$1,045,703.

- 7) The assessed value range for floathouses in Kootenai County, which typically do not have much in the way of other appurtenant structures, is wide, from \$12,031-\$188,892. The assessed values at the low end of the range are boathouse structures with minimum living area, if any. The typical or mid-range of assessed values for floathomes at permanent locations in Kootenai County is \$65,000-\$115,000 (not including land, with most having "grandfathered" holding tanks or other onboard sewage handling systems).
- 8) Five sales of boathouses tracked by the Kootenai County Assessor in 2004-2005 were from \$16,000-\$45,000, one larger boathouse with sleeping space, a kitchen and shower in studio apartment type quarters was auctioned at \$41,000 in 6/2006. Floathouse sales at Hidden Lake in the past 5 or so years have been between friends and family for the most part and those that have been reported to the Benewah County Assessor are at about \$20,000 to \$50,000.
- 9) An effort to permit floathouses at the mouth of the Coeur d'Alene River north of Harrison is reportedly underway by a private landowner and marine contractor there, and some effort is reportedly being made by another private marine contractor to have the state IDOL consider allowing them to be located at Cougar Bay near the mouth of the Spokane River. The area at Harrison has sewer and parking on the adjacent uplands available and seems to have some merit, but the hazard of flooding and contamination of the lakebed and banks are considerations. The proposed area in Cougar Bay is at the mouth of a protected wildlife habitat area and would be in the viewshed of the community and surrounding high value hillside residences, so it appears this location is much less likely to be approvable. A few sites are probably available wherever floathouses exist on the lake, such as Moscow Bay, Beauty Bay and Wolf Point, Blue Creek Bay, as well as a few others. But a large relocation and establishment of a new floathouse community would take time and agency review would be extensive, as would public scrutiny.
- 10) Future trends for this type structure and seasonal lake dwelling activity are dependent on the suitability, character and quality, and permanence of the siting opportunities that present themselves. Being on the east side of the lake where they would be exposed to the prevailing winds and storms from the SW would not be as favorable as sites on the more protected west side of the lake and south side of bays. A floathouse community location at the mouth of the Coeur d'Alene River might be approvable, but would require Idaho Department of Fish & Game signoff, Idaho DEQ, and possibly US EPA due to the heavy metals contamination identified in the lakebed and banks there. The city of Harrison sewer has been extended across the river to the Harrison Dock Builders marine contracting business, so could possibly be available to floathomes there as well. Any market forecasts of the market for this type property would be dependent upon if and how alternatives for permanently (or long-term) siting of them are worked out or arrived at, but having a consistent community setting for floathouses, similar to where they now are at Hidden Lake or near Conkling Park appears that it would support values more in line with what floathouses have sold for in Bayview where the uses are long-established.

A complete report is underway with value estimates for each of the 24 remaining floathomes and their

auxiliary structures located at Hidden Lake in Heyburn State Park, with the analysis using the few floathouse and boathouse sales on Lake Coeur d'Alene for comparable market data used in the Sales Comparison Approach, and Reproduction Cost figures from new floathouse construction and cost manuals being used for the most part. Sales and other market data from floathouses at Bayview are considered, but this is a long-standing floathouse community with services and an established setting that does not appear to be directly comparable to the current market for the subject floathouses. The followup report is to consider a market value estimate for the floathouses, as if they can be relocated to a known location or locations, and, alternatively, if they cannot.

I appreciate the opportunity to provide appraisal services to you and the IDPR. If you or the board or other park department staff have any questions about the methodology or information used in this preliminary report, or additional information that would be helpful in completing the followup report, please let me know.

Sincerely

Sandy Emerson, CGA-251
Appraiser

Enclosures: The appraiser's qualifications and certifications, photos, maps, exhibits, attachments, and other explanatory information, all of which must be included or this report is considered incomplete and the information it contains may not be understood or valid.

HEYBURN STATE PARK – HIDDEN LAKE FLOATHOUSE VALUATION SUMMARY – Preliminary Report

| LEASE # | ASSESSOR'S PROP. ID # | LESSEE | SIZE Dwelling | TYPE / DESIGN | AGE Actual/Eff. | CONDITION | UTILITIES | Auxiliary Structures/docks | ASSESSED VALUE | COST APPROACH | SALES COMPARISON | EST. VALUE |
|----------|-----------------------|------------|-----------------------------|---|--|------------------------|--------------------------------------|---|----------------|---------------------------------------|---|------------|
| 700-F-09 | Hidden Bay #22 | Koontz | 1226 sf | 2 levels 1034 sf main 192 sf up | Built 1938 Renov. 1997 Eff. 15 yrs. | Good | Power/phone | Patio/porch Boat/access 4 pilings/ramp | \$44,280 | \$66,850 | \$69,000 | \$67,000 |
| 701-F-09 | Hidden Bay #26 | Britzmann | 2768 sf | 1.5 story 1845 sf main +/-600 sf up | Built 1959 Updated Eff. 25 yrs. | Fair | Power/phone | 939 sf docks boathouse 584 sf deck | \$48,010 | \$60,000 | \$94,000 | \$75,000 |
| 702-F-09 | Hidden Bay #30 | Chestnut | #1 - 1266 sf #2 –1064 sf | A-frame 1 level | 1975 1957 Eff. 15 yrs. | Good / Good | Septic on uplands No easement | 2000 sf docks Cov. Boatslip 288 sf deck | \$77,530 | \$108,900 #1-\$54,800 #2-48,100 | \$122,800 #1-\$69,600 #2-53,200 | \$115,000 |
| 703-F-09 | Hidden Bay #17 | Martin | 1230 sf | 1 level | 1932 update 1980 Eff. 25 yrs. | Fair to good | Pwr.& phone only | 12x18 boathouse Patio dock Access dock | \$42,891 | \$40,100 | \$67,700 | \$54,000 |
| 704-F-09 | Hidden Bay #18 | Eisinger | 1081 sf 2d cabin | 1 level on shore | 1938 Eff.age 25 yrs. | Fair | Pwr. Phone Outhouse | Cov. Slip Deck/dock bunkhouse | \$38,265 | \$63,300 | \$72,700 | \$70,000 |
| 705-F-09 | Hidden Bay #6 | Kimberling | 992 sf | 1 level | Not known Eff.age-25 yrs | Fair to poor | Pwr. Phone Only | Small dock 2 boathouses | \$48,920 | \$35,600 | \$47,600 | \$41,000 |
| 708-F-09 | Hidden Bay #12 | Lewis | 1518 sf | 1 level | Not known Rem. 1980 Eff.age-20yrs. | Good | Pwr/phone Only | Patio/porch on platform deck Boat slip | \$45,726 | \$75,900 | \$82,000 | \$80,000 |
| 709-F-09 | Hidden Bay #5 | Sprenger | 805 sf | 1 level | Eff.age-25 yrs | Fair to poor | Pwr/phone Only | Patio front deck Boat slip | \$38,804 | \$104,200 | \$81,000 | \$92,600 |
| 710-F-09 | Hidden Bay #14 | Greene | #1-810 sf #2-546 sf | 1 level | Built 1990 Eff.Age-15 yrs | Good Good | Power/phone Only | 2 floathouses "floating shed" | \$64,547 | \$97,800 | #1-\$47,000 #2-\$31,700 Aux.-\$12,000 | \$90,000 |
| 712-F-09 | Hidden Bay #13 | Denham | 1325 sf | 1 level w/ lg. screen porch | 1906 - 100 yrs Updated-1995 25yrs Eff. Age | Fair | Pwr/phone Elec. Toilet | Boathouse Patio docks Screen porch | \$44,572 | \$53,900 | \$66,000 | \$60,000 |
| 713-F-09 | Hidden Bay #10 | Logan | 1730 sf oa | 2-story Big dormer 1 level | 1961 Eff.age-15 yrs | Very good | Power/phone | Boat slip Good docks | \$34,064 | \$86,700 | \$90,000 | \$88,500 |
| 714-F-09 | Hidden Bay #4 | Grainger | 805 sf | 1 level | | Fair to poor | Power/phone | Boathouse | \$33,060 | \$39,300 | \$40,000 | \$40,000 |
| 715-F-09 | Hidden Bay #23 | Stellmon | 1800 sf | 1 level porches | 1920 Rem. 1984 | Poor | Pwr/phone | Boatslip/boathse Deck/docks | \$59,860 | \$36,200 | \$45,000 | \$41,000 |
| 716-F-09 | Hidden Bay #16 | McFarlane | 1650 sf | 1 level Porches | Blt. 1931 Rem. 1979 | Poor | Pwr/phone Rv toilet w/ grinder | Boathouse | \$42,949 | \$33,900 | \$41,000 | \$38,000 |
| 718-F-09 | Hidden Bay #28 | Mosman | 800sf | 1 level Patio docks | 1959 Eff.age-15yrs. | Good | Pwr/phone only | Boatslip Boathouse Docks | \$49,714 | \$46,300 | \$44,000 | \$45,000 |
| 719-F-09 | Hidden Bay #20 | Martson | 1260 sf | 1 level | 1994 Eff.age-20yrs. | Good | Pwr/phone | Boathouse | \$50,061 | \$56,600 | \$63,000 | \$60,000 |
| 721-F-09 | Hidden Bay #8 | Pederson | 840 sf | 1 level Cov. porches | Eff. Age-25yrs | Fair/poor Flotation | Pwr/phone | Boathouse Patio deck docks | \$38,960 | \$45,000 | \$43,600 | \$45,000 |
| 722-F-09 | Hidden Bay #1 | Mayer | 754 sf | 1 level Cov.porches | Eff.age-22 yrs | Fair to poor | Pwr/phone | Dock, ramps Cov. Porches | \$20,268 | \$34,300 | \$37,700 | \$36,000 |
| 724-F-09 | Hidden Bay #27 | Trout | 1120sf | 1 level | 1959 Eff.age-15yrs. | Good Mtl.siding | Pwr/phone | Docks | \$48,938 | \$62,500 | \$65,000 | \$64,000 |

| | | | | | | | | | | | | |
|----------|----------------|------------------|--|--------------------------|--|--------------|---------------------------|--|----------|----------|----------|------------------|
| | | | | | | | | | | | | |
| 725-F-09 | Hidden Bay #19 | Simmons | 1260 sf | 1 level Cov. deck | 1940 built 1980 rem. Eff.age-20yrs. | Good to fair | Pwr/phone | Boathouse Cov. Slip/docks Cov. Decks | \$45,554 | \$58,400 | \$69,300 | \$65,000 |
| 726-F-09 | Hidden Bay #21 | Sandquist | +/-1712 sf | 2 story Cov. Porch | Built 1957 Eff.age-20yrs. | Fair cond. | Pwr/phone Elec. Toilet | Boathouse Patio dock | \$27,013 | \$62,165 | \$89,000 | \$75,600 |
| 727-F-09 | Hidden Bay #9 | Snow | 1080 sf | 1 level Cov. Entry | Built | Fair to Poor | Pwr/phone | Boat Slip | \$47,662 | \$43,400 | \$54,000 | \$48,700 |
| 728-F-09 | Hidden Bay #11 | Borowicz Veal | 1250 sf | 1.5 storh Mod.A-frame | Built 1930 Rem.1970s | Fair | Pwr/phone | Patio dock/deck | \$30,130 | \$55,100 | \$66,300 | \$60,000 |
| 731-F-09 | Hidden Bay #24 | Goodspeed | 1156 sf main 250 sf up 1400 sf total | | Built 1957 Addtn-1991 Eff.age-35 yrs | Very poor | Pwr/phone | No boathouse No dock | \$22,925 | \$7,200 | \$12,000 | \$10,000 |
| | | | | | | | | | | | TOTAL | \$1.5 million |

**HEYBURN STATE PARK
HIDDEN LAKE FLOATHOUSE REPORT**

VALUATION SUPPLEMENT

**To the
PRELIMINARY APPRAISAL/COUNSELING LETTER
of
24 Private Floathomes at Hidden Lake
in Heyburn State Park**

For

**The Idaho Department of Parks & Recreation
Attention: David White, North Region Manager**

**Report #06-07.FH/VS
Effective date of valuation – July 10, 2006
Report Date – July 24, 2006
Valuation Supplement dated July 31, 2006**

By

**Sandy Emerson, CGA-251
Idaho General Appraiser**

**EMERSON VALUATION
408 Sherman Ave., Suite 209
Coeur d'Alene, ID 83814**

July 31, 2006

David White, North Region Supervisor
Idaho Department of Parks and Recreation
2750 W. Kathleen Ave.
Coeur d'Alene, Idaho 83815

**RE: Valuation Supplement to the Preliminary Appraisal Report for +/-24 Hidden Lake Floathomes –
Report 06-07.FH/VS**

Dear Mr. White:

This is the valuation summary for the initial “phase 1” Preliminary Appraisal Report. It is intended to be a supplement to the initial Preliminary Appraisal Report and the information provided in that report on the market conditions and trends and other market activity for this type of floating residential property. This Valuation Supplement provides additional information about the sales, costs, and other market data pertinent to the valuation of the floathouses located on Hidden Lake in Heyburn State Park.

The property interest appraised in this case is for floating personal property, without a real estate interest other than the year-to-year site that is leased by each floathouse owner from the IDPR in Heyburn State Park. As noted in the preliminary report, because of the issues involved, the type of property, and the current trends and economic conditions, this report is presented in two parts, including this supplement to the preliminary appraisal report/counseling letter. This supplementary report is incorporated with the July 24, 2006 report by this reference and is incomplete without the information that preliminary report contains.

Because of those issues and the pending termination, and/or threat of termination of the Heyburn Park leases, few recent sales have occurred for the Heyburn Park floathouses, and the majority of those have been between family members and/or acquaintances. Similarly, floathomes and boathouses in Conkling Park are inhibited by the Coeur d'Alene Tribe's declaration and notice that floathouse and boathouse permits will not be extended past 12/31/2010. Sales and other transactions from the Yacht Club on the north end of Lake Coeur d'Alene that has given notice that floathouse and boathouse leases were being terminated and the floating structures have to be moved by 9/30/2006, were available, and provided some of the best market data for the purposes of this report. Floathouse sales at Bayview were investigated, and provided some information about trends and values in a floathouse community setting with all utilities, including sewer and water systems, as well as convenience shopping, restaurants, and other services are available. Because of the amenities and permanence of the Bayview community, these sales were not felt to be good comparables, so were not used directly, but only as market data for trends and information about organized floathome communities.

The purpose of the report is to estimate the value of the individual floathomes in their “as is” condition, both as if they could be relocated to a suitable site, or sites, elsewhere on the lake or its tributaries, and, as if the park leases were terminated and no alternative site(s) were available. The intended users of

this report are you as the client on behalf of the Idaho State Department of Parks and Recreation, and other IDPR resource management staff, and members of the State Board.

The effective date of valuation is July 20, 2006, the date of completion of the preliminary analysis under the market conditions at the time of the report. Market conditions after the effective date may change, and a followup report would need to be completed. The current market activity and economic trends for this type lake property are analyzed and discussed in this report.

Because of the lack of the direct sales from the Hidden Lake floathouse community itself, and the difference between sales of floathomes and boathouses with and without their land base, both the available sales data from a few of the subject floathouses and sales of floathouses at other locations on Lake Coeur d'Alene, principally at the Yacht Club Marina on Blackwell Island near the city of Coeur d'Alene are used.

In addition, the estimated replacement costs less a rough estimate for accrued depreciation is used as a further method of estimating value for the subject floathouses. Each of the floathouses has additional docks that provide outside living space, shore access, and boat moorage, which are considered an essential part of the overall structure that makes it complete and usable for the functional utility of a seasonal use floating recreational summer home. In most cases, each of the floathouses also has other auxiliary structures, including boathouses, or boat garages, covered and/or open boatslips, other docks, some with storage sheds and other small buildings or structures on them. One is attached to the land at the back or shore side and built on pilings out over the lake. A few have sheds and other buildings including outhouse sheds on shore that have been there for decades, if not longer. Barrels, metal and plastic drums, and Styrofoam blocks have been used to add flotation to the basic log structures that support floathouses as the original logs and timbers become waterlogged and lose their buoyancy. Current construction techniques and materials suggest that a reconstructed floathouse would have an engineered metal frame with unitized plastic flotation compartments or some formed airtight compartmentalized concrete floats have been used. Other methods of adjustable flotation "dogbones" and log cross joists that supplement and tie together the aging log structures of existing floathouses have been implemented at Bayview and in a few cases on Lake Coeur d'Alene. Where the buyers have purchased floathouses to obtain the grandfathered permit for an established "footprint," the entire structure has often been replaced.

While the investigation and analysis includes using the Replacement Cost Approach as a valuation method, the conditions of this assignment did not allow making a personal inspection of the floathouses other than from a distance, which was done by boat and by air. The interior of the structures were not able to be personally inspected, nor was the condition of the flotation for an accurate assessment of accrued depreciation. This report is therefore necessarily made using general conclusions from the information available from the county assessor's office and pictures and other information provided by the park ranger and other IDPR staff. The intended use of the report is for planning purposes by the Parks Department Board and staff under the assumption the floathouses will be removed by the end of 2009 as directed in earlier decisions to comply with federal requirements and court actions related to eliminating and/or reducing private leases and reestablishing public uses in the park.

The initial investigation for the purposes of this report included a survey in detail of all the floating structures and components for six of the floathouses and their auxiliary structures, including the floathouse, patio docks, boat docks, shore access docks, ramps, and gangways, and boathouses, and other structures, if any. This provides a basis for the overall valuation of the other floathouses and their appurtenant structures. Cost manuals provided basic unit costs for use in the Cost Approach, and interviews with local marine contractors for actual costs of dock and other floating structure construction (and reconstruction) provided direct unit cost information used in formulating an opinion of value by the Cost Approach. Because most of the floathouses that are the subject of this report are quite old, some dating back to the 1930s and '40s, while many are from the 1960s, and the floatation has been supplemented or added onto, often many times, or in some cases, replaced, depreciation is an important factor for the valuation of this type structure. The very fact floathouses and boathouses are "grandfathered" by the state Department of Lands regulations and no new structures of this type are allowed to be permitted provides their value. For decades in Bayview on Lake Pend Oreille there has been a market for floathouses with buyers acquiring the basic structure, or permitted "footprint" of the floathouse, and replacing the entire structure with a new modern floathome. That market has existed to some degree on Lake Coeur d'Alene, but has gained considerable vigor in just the past several months due to the availability of about a dozen floathouses and boathouses that have had notice their leases are being terminated at the end of September this year. The sales and resales of some of these provides the basis for the market analysis and value conclusions by the Sales Comparison Approach in this report. The sales and other market data are discussed in the preliminary report, but additional information, updated and new sales, and reconfirmations of the initial sales and other market data are contained in this Valuation Supplement.

The Scope of Work for this appraisal assignment, includes the instruction that the Park Board has only intended to discuss possible compensation to the Hidden Lake lessees for the floathouse itself, or a portion of the floathouse value. The investigation and analysis for this report includes information about the docks and boathouses, because, if they are in reasonably usable condition, there would be salvage value for the docks and boatslips, and there appears to be a market for the boathouses themselves, because they are also "grandfathered" structures that could be relocated to sites on Lake Coeur d'Alene in Kootenai County and off the tribal reservation waters. If 40 or more boathouses came on the market at the same time, that may, however, saturate any market there may be. If the physical and/or market conditions for the boathouses and docks suggest there is no market value for them and they must be disposed of, there would be costs, and a brief discussion of that is included in this report. Again, because of the special conditions and assumptions of this report as to the lack of a physical inspection for interior condition, and condition of the basic structure, and size, an overall value estimate is prepared for each floathouse with the needed docks for basic boat decks, patio docks, and shore access with ramps and gangways. The additional boathouses, boatslips, and other docks and structures are not included for the purposes of this report, because compensation is only being discussed by the park board for the basic floathouse. The necessary access and boat docks are considered integral to the use and functional utility of the floathouse as a unit, so are included. It appears, under current market conditions, a market for boathouses exists.

This has been a very interesting assignment, and I appreciate being able to provide appraisal and property valuation and consulting services to you, the State Parks Board, and the department. If I can be of further service, or if you have questions about the process or conditions of the report or need additional information, please do not hesitate to contact me.

Sincerely,

J.A. "Sandy" Emerson
Appraiser CGA-251

Attachments: Valuation Supplement to Preliminary Appraisal Report and Conseling Letter for the IDP&R – Report #06-07.FH, dated July 24, 2006. This supplemental report also contains an Addendum with IDL Floathouse and Boathouse permitting requirements and IDP&R Hidden Lake Lease Site information.

The report is not complete without both the initial Preliminary Report and this Valuation Supplement, together with their Addenda and other explanatory information.

VALUATION

DEFINITION OF MARKET VALUE

The purpose of this appraisal is to estimate the Market Value of the subject property (s) to a single purchaser in fee simple interest (as it applies to floathomes and appurtenances as personal property with a valid state surface water encroachment permit).

Market Value is defined in the Uniform Standards of Professional Appraisal Practice as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and each acting in what they consider their best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and,
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation 1990.

As stated in the definition above, no undue stimulus implies that the onus of having to meet a deadline to relocate is not a consideration for the purposes of this report. It also implies that the buyer would have an intended use that is feasible, practical, and physically possible. Included in this condition is the assumption that an alternate location is available.

CONDITIONS OF THE APPRAISAL: It is specifically noted that the county assessor's office files have sketches and records that indicate considerably different sizes for virtually all of the subject floathouses from the measurements provided by the park staff from a field inspection completed for the purposes of this assignment. The park staff figures are used since the department is the client and the measurements were taken for the purposes of this report. Since the appraiser did not make an onsite inspection, measuring techniques differ, and 2nd levels were not included, nor were flotation platforms measured, the sizes cannot be guaranteed. Since the appraised values rely on unit values, accurate size is material to the final conclusions of value. Because the cost approach employs a large depreciation adjustment, the size discrepancy may be somewhat less critical, but none-the-less, this report should be considered strictly preliminary until the structures can be physically inspected and personally analyzed by the appraiser. The findings and value conclusions in this report are strictly intended for the sole purpose of providing preliminary market and other information for the state park board and park staff to use in making planning decisions that will be implemented in the near future, and more complete information after a physical inspection or inspections by the appraiser and other professionals will be needed to provide value estimates with a stronger degree of reliability and confidence.

PROPERTY DESCRIPTION

ELEMENTS OF VALUE IN THE COST APPROACH AND OF COMPARISON IN THE SALES COMPARISON APPROACH

LOCATION: The subject floathouses are located on 24 established floathouse lease sites on Hidden Lake in Heyburn State Park in Benewah County, Idaho. Because the park is terminating private leases for floathouses and the Coeur d'Alene Tribe is terminating the permits for them on the part of the lake and St. Joe River in the reservation, it is assumed that locations in Kootenai County will be available, either on a scattered basis by purchasing waterfront lots suitable for floathouse and appurtenant dock moorage, or in a community dock setting either by long-term lease, or by some other joint or common ownership arrangement.

PROPERTY

DESCRIPTION: The subject properties are floating personal property (except for one attached to the shore and built on pilings), that are identified by the park lease number, and by the County Assessor's personal property record number, and a "Hidden Bay" floathouse number. Hidden Bay is in the northwest part of Heyburn State Park near the Benewah-Kootenai County line. It is in Section 31, Township 46 North, Range 3 West of the Boise Meridian.

SIZE/SHAPE:

The floathouses and their appurtenant structures vary significantly, and some have an extensive array of docks, boathouses, boat slips, patio docks, floating sheds, sleeping cabins, and boat docks, as well as shore access docks, ramps, and gangways. One lease site (Heyburn Park Lease 702-F-09; assessor's Hidden Bay 30 – Chesnut) has two floathouses. This assignment calls for a value estimate for the floathouse (s) and their necessary appurtenant and connecting docks to be valued only. The floathouses themselves were not personally inspected by the appraiser under the conditions of this assignment, so sizes were checked with the county assessor, and adjusted using measurements provided by the park staff. The floathouses vary from about +/-630 sf to over about 1200 sf on 2 levels. Most are about 800 sf or so. Typical porches and attached patio docks are about 6'-10' wide and about 18'-28' long, so an average size patio-porch dock is assumed to be 8' x 24', or +/-192sf. A boat dock-shore access dock with a ramp and/or gangway is also included in the value estimate for each floathouse for it to be functional for the intended and practical use. These also vary greatly, with an adequately sized dock for this use being estimated at 8' x 32', or 256 sf. This results in a configuration for the limited valuation purposes of this assignment that has a floathouse with adequate dock space around it for sitting and gathering areas, and dock space for boat moorage, as well as shore access. This presents a footprint over the lake bottom of about 1100-1500 sf, or so, that is intended to provide an effective adequate size and configuration for the use under the conditions and assumptions of this assignment, and tends to conform to the spirit of the permitting policies of the Idaho Department of Lands, particularly under the assumption they will have to relocated and permitted at a new site, or sites.

ACCESS: The present floathouse community at Hidden Lake has access by trail from about a quarter to half a mile away from the north end of the park's Chatcolet parking area by footpath. Otherwise, access is by boat and many of the owners moor a boat at the Chatcolet docks or another nearby marina. The floathouses located at Conkling Park, Blue Creek Bay, Wolf Point, and Beauty Bay have parking areas located nearby. Those at Emerald Shores on the south side of the Wolf Lodge arm of the lake have steep hillside lots, and are boat access only.

UTILITIES: The subject floathouse sites are somewhat remote and have not had power or phone extended to them. The area is beyond community and utility service areas and no municipal utilities serve it. The floathouses have a variety of systems for domestic water and sanitation. Lake water can be pumped from the lake through an onboard water system for sinks and showers, and in some cases, toilets. Bottled drinking water is typically brought with the residents. A few floathouses have septic leach fields onshore, and others have holding tanks that can be taken to shore or dock stations where they can be pumped out periodically. There are also a few outhouses on shore, but these are not allowed to be relocated when the holes are filled, so most have become storage sheds. The IDL permit regulations (copy included in the addenda to this section of the report) requires that in order to relocate a floathouse, an agency review is required. This includes a review of the sanitary system by the Panhandle Health District (PHD). The PHD staff reports that floathouses with piped running water must have approved septic systems with drainfields located on suitable sites with soils that meet absorption standards at appropriate distance from the lake. This is a difficult standard for floathouse sites to meet since qualifying sites typically would also qualify as a lakefront homesite and be used for that if access of any kind is available. Alternatively, "dry" floathouses, without running water, have incineration-type toilets – "Incinolets" – or portable toilets with self-contained basins – "Port-a-potty" – and others have larger holding tanks, some on floating platforms or in boathulls so they can be towed to a pumpout station. Floathouses with "dry" systems have been able to be relocated without meeting PHD onshore system requirements. Electric toilets and holding tanks are allowed for these "dry" floathouses. Some effort is reportedly being made to gain approval for a floathome community at Harrison with annexation into the city for municipal sewer and water, as well as parking. Some of the 12 floathouses at the Yacht Club Marina were reportedly connected to a common septic system, and the floathouse communities at Bayview have DEQ approved community sewer and water systems.

ZONING/

PERMITTING: As discussed, floathouses must be permitted by the State, and no more floathouse permits are being issued (or for hard-sided boathouses, either). This has created a market for the existing "grandfathered" "footprint" or floatation outline over the state-owned lakebed. As lake property becomes more valuable due to scarcity and demand, floathouses, or their right to exist under their state permit, have and will continue to be in demand. The market has increased steadily for floathouses in Bayview on Lake Pend Orielle where they are in marinas that comprise individual floathome communities with community sewer and water, parking on the adjacent or nearby uplands, with shopping, restaurants, and other services nearby. While there is uncertainty in the market for the subject floathouses under the scheduled lease termination plan, and for those on the

reservation with the similar deadline to relocate, the floathouses and boathouses at the Yacht Club have found willing buyers upon facing a similar deadline. The Yacht Club leases are to terminate in September 2006, but the owner's plans for annexation into the city for development have been put on hold while annexation details are being worked out, so some floathouse and boathouse owners have not moved. They state they expect to be able to remain or relocate under the historic terms of the state permit. One marine contractor has applied for a permit to store these floathouses.

The market for these floating structures was active in the early spring of this year, and, in a few cases, before, at about \$12,000-\$25,000 for either structure type. Two floathouses reportedly sold later in the spring for \$42,000 (plus \$2,000 for personal property included), and \$50,000 for one that had been used as a commercial dive shop and retail store. This larger than typical floathouse-boathouse combination was relocated to a water access only lake lot at Moscow Bay that was reportedly purchased for \$50,000. This lot is quite steep does not have sewer, water, utilities or parking.

LEASE
FEES:

The floathouse leases at Heyburn Park are currently at \$1500/year, but occupancy is limited to 6 months or less (except possibly in a few "grandfathered" instances), which breaks down at \$250/month of use. Leases at the Yacht Club were at \$380/month on a year-around schedule, or \$4560/year, but include parking and utilities service, plus are in close proximity to shopping and other city services. These floathouses have a large enclosed boat slip with an enclosed area at the front of the slip for storage, some of which have been converted to a studio-type apartment with a futon for sleeping and electricity, but no running water or flush toilet. They can use the boat's toilet and shower facilities, or may have a separate port-a-potty. Five of the 12 floathouses at the Yacht Club were reportedly hooked to a common septic system. The lease fees are the same for all floathouses and boathouses.

QUALITY /
CONDITION:

The floathouses and appurtenant and auxiliary structures vary greatly as to quality and condition with some being dilapidated and run down to such a point that they are at or near the end of their physical life to the point that even salvage would be difficult, and the only value would appear to be in the permit itself allowing essentially complete reconstruction, including new flotation and a new floathome style and design. Others have been upgraded and modernized, and are well-maintained. Most appear to be in average to good condition for the age and type of structures. Virtually all the flotation in floathouses of this age and design has been added to for buoyancy as the original logs become "waterlogged." The timber framing deteriorates relatively rapidly once exposed to the water more than to the air. Adding styrofoam flotation, barrels and/or drums filled with air, and cedar float logs (or in some cases, sealed plastic tube piping) has restored some of the lost buoyancy. In most cases, the physical life of a dock or original flotation structure in the water is about 25-years, and that expects some replacement of decking, ramps, gangways, and regular maintenance of hinges, fasteners, rubber bumpers and other equipment that the moving water conditions cause wear on. Residential building structures can have a typical physical life of about 50 to 70 years with regular upkeep, and updating and modernization every 15-20 years or so. Because the typical floathouse living area is smaller than the flotation platform or

footprint, and was originally of relatively low cost construction materials and design, the estimated contributory value of the two components; flotation / base dock and the dwelling portion, are about equal, so a blended economic life of about 37.5 years is used in the analysis. The estimated effective age of the structures is based on an exterior inspection, photos from the park staff, and assessor's field notes. As noted, some are near the end of their physical life, and others have limited economic life due to style, design, and condition so that, if sold on the open market, a buyer (with a location for them to be moved to) would probably plan to replace and/or completely redesign the living space. The depreciation, size, materials, and other factors as applied for this element of value and comparison are subject to change based on a more complete interior and onboard exterior site inspection.

SALES COMPARISON APPROACH:

Sales, pending sales, and listings of floathouses and boathouses at Hidden Lake, the Yacht Club, and at other locations around Lake Coeur d'Alene were investigated for market data from which to establish a range of value for the floathouse and boathouse market as a property type. These sales were then analyzed as to condition and other factors and broken down on a unit value which is used to draw an estimated conclusion of market value for the subject floathouses with their attendant and appurtenant patio-porch, boat, and access docks (but not including the boatslips, boathouses, and other floating and shoreside structures). Only the described immediately necessary attached docks directly contributory to the value and functional utility of the floathouse itself are considered for the purposes of this report. It is assumed the other boathouses, boatslips, floating sheds, and other docks, that are in good enough condition (or are permitted structures like the boathouses), will have value and be able to be sold separately by the owners if they cannot be relocated to a new site with the floathouse when the leases are terminated. In the case of Hidden Bay Floathouse 30 – Lease #702-F-09, Chesnut, there are two floathouses, plus three docks, a covered boatslip, and an uplands shed (outhouse). Since both are assumed to be permitted and/or grandfathered, both would have resale value for relocation to a new site under current market conditions as shown by the market analysis. Both are included in this analysis and valuation, but the board may want to make an adjustment in this case, and use only the primary, or initial floathouse at this lease site for the estimate of possible future compensation.

The prior sales of the subject floathouses and their appurtenant structures at Heyburn State Park are considered the best market data available, but there are only a few recent sales that were not to family members and none were known to be true advertised open market sales, but were mainly by word-of-mouth. The most recent reported sale of a floathouse with all the appurtenant and attached docks, was in July 2004 for a reported \$50,000 cash from Jeff Eisinger to Brad and Jennifer Lewis, the current leasees under Lease #708-F-09. Eisinger remains a Hidden Lake Floathouse owner under Lease #704-F-09. This is an older sale, but appears representative of the market that has been held stagnant under the onus of the lease terminations. It is assessed at \$45,726 (review year 2000, trended to 2006) and included an 850 sf floathouse with 3 bedrooms and a wood stove. It was built in 1980 and updated in 1985, according to county records, and no boathouse or any auxiliary docks are listed. The sale price breaks down to \$58.82 sf overall.

Sales of three floathouses (with enclosed boatslips) and two boathouses at the Yacht Club were analyzed for an indication of value for the subject floathouses, but they have a different type design with an internal enclosed boat slip and an area forward of the boat slip that has been walled off and converted to an apartment-type living area in some of them. The sales prices for these floathouse-boathouse structures were from \$16,000-\$42,000. These sales were in mid to late 2005, with one at auction in 2006. Once again, these sales were made after the owners had been given notice the leases would be terminated by 2006, so they are looked at with no time adjustments being

made. The most recent sales are accorded most weight in the analysis, however. These sales break down on a unit basis at about \$25/sf to about \$47/sf overall. One floathouse with a slip inside, sold 7/2004 for \$45,000, including \$2,000 of personal property. County records show it has 384 sf of living area and 576 sf in the enclosed boatslip. This breaks down to \$46.88/sf overall, and about \$57/sf for the living space, when the boat garage portion is allocated at \$20,000, using the other sales of boathouses.

A floathouse built in 1969 with 400 sf of living area and 281 sf in the enclosed boat slip located at Beauty Bay sold in July 2004 for \$20,000. This structure was in poor condition, so was demolished and a new structure was built from the floats up, after rebuilding the flotation deck. This 681 sf structure sold for \$29/sf overall, and \$50/sf when broken down by dividing the living space into the purchase price. This sale suggests the price was paid for the footprint of the flotation on the water with plans to enclose the boat area giving the floathouse portion all the space. The purchase price represents the market value at the time of the "grandfathered" floathouse permit. Another floathouse at Wolf Point at the mouth of Beauty Bay sold in October of 2005 for \$18,000. This structure has 528 sf of living area and the flotation is very poor with barrels and Styrofoam blocks holding up the waterlogged float logs. The floating platform was splitting apart and had to be reinforced with a cross log to tie it back together, according to the marine contractor who did the work. This sale breaks down to \$22/sf for the overall structure, and at \$34/sf based on the living area. The floathouse had been constructed in 1970 and updated somewhat in the past 5-6 years, so was in average condition.

A floathouse from the Yacht Club that was moved prior to the announcement of the leases being terminated, sold initially in 2004 for a reported \$25,000. It had been a commercial diving operator's dive shop and floating retail store. It has an inside boatslip, a work space between the boatslip and the customer area/shop, and a 12' x 24' dive shop with painted plywood walls and floor. This permitted structure was converted to a floathouse, by removing the counters and simple painting and redecorating. The basic flotation was in good condition having been augmented with barrels and well-maintained by the owner-marine contractor in the normal course of business. The boatslip was left intact, and the area in front of it used for storage, and the former dive shop became the living area. A small front porch-patio deck is in front. A boat dock is on one side and a ramp-gangway extends to the shore. This now has been re-permitted and is attached to a steep waterfront access lot at Emerald Shores between Moscow Bay and Beauty Bay. This floathouse has about 864 sf, plus the 8' x 36' boat dock and its shore ramp. It resold in 2005 for a reported \$100,000 (allocated by the seller at \$50,000 for the floathouse, dock, and ramp, and \$50,000 for the lot). The buyers recently resold the floathouse and dock on its waterfront access lot, with no power, phone, or parking, or even much of a shoreside picnic area due to the steepness. They had listed and advertised it for \$199,000 and it sold for full price in July of 2006. The sellers allocated the lot at about \$150,000 and the floathouse at \$50,000, but it appears that there is a significant allocation to entrepreneurial profit in this case, where the overall value is increased by the effort to combine the land with the

floathouse. This sale serves as an example of the market for floathomes in good condition when attached to a permanent site, even with no upland facilities. No utilities were extended to this site, and the owners used the boat's head for a toilet. While it could have a contributory value of \$100,000, in this case it appears \$50,000 for the floathouse, is reasonable, which breaks down to \$58/sf. This includes the boat dock and ramp, plus 4 pilings to anchor the floathouse and its dock.

In making comparisons to the subject floathouses with their appurtenant dock, patio-porch, and gangway ramp, plus 4 pilings to anchor the basic structures, it appears the market supports a range of values for floathouses between about \$22-\$58/sf, and the most recent sales evidence suggests an allocation at the upper end of the range, say \$48-\$58/sf depending on condition, quality, and style of the basic floathouse structure. Included are the necessary supporting patio-porches, both as attached to the main dock and/or as a separate floating dock or docks, an access/boat dock with its shore ramp-gangway, and pilings to anchor it in place. This estimated unit value is used in estimating the overall floathouse values by this approach. In conclusion, applying unit values based on square footage of the floathouse dwelling structure between \$48-\$58/sf, depending on size, quality, design, age and condition appears to provide a reasonable measure of value for floathouses intended to be moved to new locations in this market.

COST APPROACH:

The Replacement or Reproduction Cost Approach is used to arrive at an opinion of value based on the principal of Substitution, and a knowledgeable, willing and able buyer will pay no more for a property than it would cost to replace, or reproduce it. Reproduction Cost estimates the cost of reproducing the subject with a duplicate using the same style and design and quality, whereas Replacement Cost suggests a buyer would use the best available materials in the market and the most practical design of similar space to achieve the same or better functional utility. Elements of functional utility are considered, and non-functional items, or elements that result in functional obsolescence are not reproduced. In constructing modern floathouse support structures new material are now available, while cedar float logs are not as easy to find and are more expensive. As noted earlier, steel or aluminum frames, and alternatively, concrete structures are used with boxed blocks, barrels, or drums of plastic or Styrofoam for modern flotation systems. Estimated costs for docks with cedar log flotation systems were also used for correlation with reproduction costs for similar log decks and docks. Marine contractors were interviewed and provided current unit costs for floathome and hard-sided boathouse construction. Cost manuals adjusted for local cost factors, and actual construction cost breakdowns for lakefront residences, and floathouses that have been constructed recently were used for estimating replacement costs of the dwelling structures on the supporting floating foundation decks. After estimating the replacement cost of the subject floathouse(s), based on typical contractors' current unit costs, the combined replacement costs for floating foundation structures or floathome supporting decks were used in estimating the replacement value of the subject floathouses with attendant docks, ramps, and typical log piling or similar anchoring systems.

Marine contractors from the local area report dock prices of \$20-\$24.50 for cedar logs and traditional wood decking, \$23-\$30/sf are estimated for metal framing and plastic or Styrofoam flotation systems with Trex or Choice Deck composite materials for decking. To support a dwelling or floathouse with additional strengthening and trusses, an engineered structure would cost about \$26-\$28/sf, according to marine contractors familiar with that type construction. Cost manuals report replacement costs for average construction in the northwest region of \$75-\$85 per square foot, with a local area and waterfront construction adjustment of +10%, less a deduction of \$5-\$10/sf for the lack of a concrete slab or foundation with footings, since the floating deck supports the dwelling in the case of a floathome. Costs would be higher for more elaborate designs and for elements of style, but relatively standard construction design and style is typical for floathomes due to weight and weather considerations making windows and heavy sliding glass doors or upper floors somewhat less desirable, plus making the structure more vulnerable to heavy winds off the lake and/or winter snow loads. New structures use modern lighter weight materials for framing, siding, and roofing for this type dwelling, so that is less of a consideration for new construction than it is for existing wood frame buildings.

Depreciation is an issue for floathouses and boathouses because wood deteriorates more rapidly on the water and under conditions of movement than it does in land-based situations, and for buildings on wood decking rather than concrete footings and foundations. As noted in the Description section, float log and/or flotation supplemented with barrels, drums, and Styrofoam blocks deteriorates under water or at the water line at a faster rate than the above the deck structural components of the basic dwelling. A depreciation rate based on a blended economic life for the flotation and the building of 37.5 years is used.

The actual ages of the different floathomes in the Hidden Lake floathouse community vary considerably as does the level of renovation and updating, as well as ongoing maintenance. Some have been modernized extensively, with some being renewed and appearing to be in nearly new condition, while others appear to be at or near the end of their apparent physical life.

Because onboard physical inspections were not completed as a limitation of this assignment, the actual ages of the basic floathouse structures and their descriptions as reported in the county assessor's records, and the photos supplied by the park staff were used to arrive at an estimated effective age and physical obsolescence or accrued depreciation for each floathome and their attendant docks as allocated for the purposes of this assignment.

Six actual Hidden Lakes floathouses were analyzed using courthouse records of sizes, appurtenant structures, and condition for an indication of how the overall value estimates for those six sample floathomes relate to their assessed valuations and to the value indications for them using only the primary floathouse dwelling structure, attached patio-decks and boat docks with shore access ramps and gangways, plus piling anchors for the purposes of this assignment, as discussed. Boat slips and enclosed boathouses are not included as per the appraisal instructions.

Unit costs for floathouse support docks are estimated at \$24/sf which is less than modern steel framing, but allows a margin above standard dock prices of \$20-\$22/sf for an engineered platform stout enough to support the weight of a frame dwelling of similar size and design to the typical Hidden Lake floathomes. Based on low to average single level and 1.5 level single family residential cost tables from published cost manuals, adjusted for the local area (after deducting for the lack of a foundation or concrete slab), replacement costs of \$65/sf are used. Floathouses are smaller than the usual land-based residence and must conserve weight, so have fewer cabinets, no heavy floor coverings or countertops, and minimum kitchens and baths are typical, so are similar to minimum low cost structures in the cost manuals. Contractors estimate that, even though construction costs are higher due to transportation and working on water with limited staging and work areas, the reverse may be true as well, in that travel distances for lumber and other construction materials can be shorter, framing is generally simple, and materials lighter so are easier to handle and the construction period can be relatively short. An average of \$65/sf for this type structure is used with an additional

\$22-\$24/sf for the floating platform foundation. A deduction of \$5-\$10/sf is used for the fact no concrete slab foundation is included and the estimated costs of the alternative flotation deck platform are used. Covered deck and patio space is at \$8/sf in addition to the base flotation cost, and boat docks are \$20 per square foot for a basic new log dock. Metal frame docks with Trex or Choice composite decking over Styrofoam block flotation is \$23/sf, but can go as high as \$30/sf due to fluctuations in the materials markets. Log pilings are \$450 installed, and steel pilings are \$1200 each for 30 feet of piling, which is typical.

Depreciated replacement costs for several of the more or less typical Hidden Lake floathouses and their needed surrounding structures were calculated for an indication of a market depreciation rate as well as for a consistent measure of unit costs for floathouses. These worksheets are retained in the appraiser's files.

This Cost Analysis information is used similarly for the 24 floathouse sites at Hidden Lake, and the Sales Comparison derived unit values are used for correlation and support of the value indications in each case. For the purposes of this assignment, only the floathouses and attendant boat and access docks are included in this analysis.

RECONCILIATION OF VALUE INDICATIONS:

The value indications and assessed values for the 24/26 Hidden Lake floathomes are shown on the following table.

VALUE FORECAST FOR 2009

The IDF&R has asked for a forecast of prospective values for the subject floathouses projected to 2009 when the leases are scheduled to be terminated in the Heyburn Park management plan.

While it is not possible to predict the political climate or economic and market conditions into the future with any confidence, there are market factors that can be discussed in this regard. The rapid increases in the regional real estate market of the past 2-3 years, and particularly for waterfront properties in the past 2 years appear to have stabilized somewhat.

Floathouses in general have shorter physical lives than land-based structures and log flotation is difficult to maintain, so generally they tend to deteriorate about as rapidly as they appreciate. Recently, demand has increased for recreational waterfront residences in this market area, and supply is limited. This puts pressure on any form of summer residences of all kinds, and sales prices have often been above the asking price due to multiple offers being made for lake properties. Floathouse and boathouse leases have been terminated at the Yacht Club on the north end of Lake Coeur d'Alene, and about 12 or so have been put on the market and/or are having to be moved by the owners. Suitable alternative locations for these floating structures are also quite limited, but when a site is made available and approved, demand for and the value of the structure appears to have not only been sustained, but may even increase significantly. This extends to the "footprint" of the grandfathered platform or base of the structure under the state IDOL permitting procedures that do not allow new hard-sided floating structures to be constructed for location over the state-owned lakebed. The recent need to move these floating structures has resulted in what appears to be a somewhat more accommodating policy toward permit approval for this type structure. Agency review and structural integrity requirements still need to be met and are difficult for most sites and many floathouses, but the permitted platform itself has held value at \$12,000-\$25,000 or more, even if it has to be almost completely replaced.

It is expected this market demand will only continue and grow as demand for lakefrontage and seasonal use residences increases. Because of the deteriorated condition of many of the floathouses and the structural integrity of the flotation platform, it appears at this time, that the values will remain somewhat stable under similar market conditions. This is particularly the case, when maintenance and/or extensive repairs are held in abeyance by the current owners when there is uncertainty as to the future of the subject floathouses continued use.

The issue of having 24-26 floathouses come on the market at about the same time, plus the possible addition of 12 or so more from the Tribal waters, is material to forecasting the market for this type property and these particular floathomes. It is difficult to find individual lots or sites suitable for floathouse use, especially meeting full sanitary conditions, but portable toilets and holding tanks have been approved for "dry" floathomes. Because of the recent change at the Yacht Club Marina eliminating floathouses and boathouse, and the announcement of the removal of them from tribal waters by 2010, coupled with the long-standing plan for their leases to be terminated by the IDP&R at Hidden Lake, efforts are being made by a marine

contractor, and others to provide alternative sites, both on a case-by-case basis, and in an organized floathouse community or communities on other parts of the lake.

It appears at least some of these prospective sites will become available in the next three years, and possibly an area or areas with parking and utilities, including community water and sewer will become available. This would lead to the possible transition and comparison of that type market to that in Bayview, where prices have increased dramatically for floathouses in the established floathome community marinas there.

In any event, the wide range of values represented by the available market evidence found in completing this report and the nature of floathouses regarding their condition and intensive repair and maintenance requirements suggests that the value estimates in today's market may be similar in the next few years. Market changes cannot be predicted or forecast with reliability as evidenced by the 100% and greater increases in this area's waterfront lot and lake home markets in the past 18-24 months, but it would seem reasonable to expect the floathouses at the low end of the range would increase somewhat in value as demand for recreational properties continues to grow in this area. It may be that those at the top of the range could increase as well, but since new owners who have the resources, tend to want to build new or modify and update their residences extensively, those at the high end of the range on aging flotation platforms may remain more stable and not increase in value as much.

Because the market evidence for the floathouse market is so varied at this time, and has changed dramatically in just the past few months due to the availability of floathouses needing to be moved, and the extreme differences in reported sizes for the subject floathouses, the estimated values are taken as guidelines only until more accurate individual structure measurements are available and analyses as to condition and functional utility can be made. The general nature of the data and findings suggest the market information and value conclusions will move to a central tendency, with the low values moving upward in some cases, and those at the high end of the range similarly moving downward, or remaining more-or-less stable. As a result, the \$1.5 million total may be about the same with a more gradual increase over the next 2 ½ to 3 years than in the past to say, about \$2 million or so.

VALUE AS IF THE FLOATHOUSES, BOATHOUSES, AND OTHER STRUCTURES HAVE NO ALTERNATIVE LOCATIONS

As a further element of this assignment, the park board and staff has asked for an estimate of value for the Hidden Lake floathouses and their appurtenant boathouses and other structures have no alternative locations to move upon termination of the leases.

In the worst case scenario, there would be a cost of dismantling and disposal of the materials, and this well may be the case with several of the docks, old pilings, and even one or more of the dilapidated boathouse and floathouse structures. The log flotation has been added to and supplemented on some, if not most, to the point that it would be difficult or nearly impossible to move them safely to another location, even if one were available. There is reportedly so much Styrofoam flotation and logs that have been added under some that they virtually are resting on the bottom of the bay now. Moving them could cause them to literally break in two or fall apart.

It is suggested a full analysis be undertaken between the present and the date of projected removal to see the scope of the problem and to arrive at as accurate as possible of an estimate of costs for each floathouse, boathouse, docks, and other structures, including removal of the old pilings.

The newer structures can be floated off and will have resale value, such as the boatslips and some of the newer docks. It is also assumed that the principle discussed in this report that many of the boathouses would have good resale and/or use opportunity in almost any condition because they are also grandfathered and permitted so could be rebuilt and/or used elsewhere on the non-tribal part of the lake. It is noted that the tribe estimates there are over 40 hard-sided boathouses to be removed from the reservation waters by the end of 2010. This could easily overwhelm and saturate the market as well as cause a reaction to allowing that many to be relocated to other parts of the lake unless perhaps some type of community moorage area or marina is established.

Costs to remove and dispose of dilapidated, non-usable docks have been established by marine contractors as part of their new dock procedures at about \$500-\$1000/dock, depending on size, condition, and circumstances. Marine contractors contacted estimated from \$5000-10,000 to dismantle and dispose of the materials from an average size floathouse. Others used \$3/sf for dock and small structure removal and disposal. Costs are dependant on whether the work can be done after towing the structure to another site or must be done onsite. Harrison Dock Builders have started a subsidiary company, Shannon Towing and Salvage, due to the large amount of debris on the lake such as derelict docks and material to be disposed of with the surge of new residential construction around the lake involving tearing down the existing older cabin or lake home.

It is further noted that most of the subject floathouses have been at the same location for such a long time, and flotation has been added over the shallow lakebed so that some may well rest on the bottom, and others may not be able to be moved safely, as noted. In such cases, and with the existing "floathouse" now moved ashore and set on posts, if they are to be salvaged, and their permitted life extended, that a new platform deck will have to be constructed offsite, floated in, and the dwelling structure moved onto it. The need for this should be investigated and the plans pursued prior to the lease termination, or delays in making the arrangements to move may be encountered. The same would apply to floathouses intended to be moved to new locations in shallower waters as well, since a new flotation platform deck may be needed just to allow them into another location.

In conclusion, the differences in the floathouse sizes between the assessor's figures and those provided by the park staff are a concern, but the valuation techniques and market data available also provide a wide range of value indications, so until more accurate measuring can be done and detailed structural information is available, it appears the value ranges and the overall value conclusion for the floathouses in Hidden Lake are adequate for the preliminary purposes of this report.

| LEASE | SITE # | LEASE HOLDER | IMPROVEMENTS |
|-------|--------|--------------|---|
| 722 | #1 | MAYER | Dock 87 Linear Feet Float Home 26'x29' |
| 709 | #5 | SPRINGER | Slip 32'x18' Dock 107 Linear Feet Float Home 36'x45' |
| 705 | #6 | KINBERLING | Boat House 27'x16' Boat House 24'x12' Dock 127 Linear Feet Float Home 32'x31' |
| 714 | #7 | GRAINGER | Boat House 28'x33' Dock 104 Linear Feet Float Home 35'x23 |
| 721 | #8 | PEDERSON | Boat House 21'x18' Dock 171 Linear Feet Float Home 42'x20' |
| 727 | #9 | SNOW | Slip 16'x24' Dock 106 Linear Feet Float Home 54'x20' |
| 713 | #10 | LOGAN | Slip 16'x26' Dock 33 Linear Feet Float Home 33'x35' |
| 728 | #11 | BOROWICZ | Dock 87 Linear Feet Float Home 35'x30' |
| 708 | #12 | LEWIS | Slip 16'x26' Dock 70 Linear Feet Float Home 46'x33' |
| 712 | #13 | DENHAM | Boat House 22'x30' Docks 173 Linear Feet Float Home 53'x25' |
| 710 | #14 | GREENE | Boat House 21'x26' (converted to float home with no approval) Docks 115 Linear Feet Float Home 30'x27' |

| | | | |
|-----|-----|------------|---|
| 716 | #16 | MacFARLANE | Boat House 18'x26' Docks 137 Linear Feet Float Home 50'x33' |
| 703 | #17 | MARTIN | Boat House 12'x18' Docks 163 Linear Feet Float Home 41'x30' |
| 704 | #18 | EISINGER | Slip Covered 15'x24' Docks 86 Linear Feet Float Home 47'x23' (float home on shore) 2 nd Structure on shore 13'x14' |
| 725 | #19 | SIMMONS | Boat House 12'x20' Slip covered 10'x20' Docks 106 Linear Feet Float Home 30'x42' |
| 719 | #20 | MARTSON | Boat House 20'x30' Docks 109 Linear Feet Float Home 36'x35' |
| 726 | #21 | SANDQUIST | Boat House 15'x26' Docks 29 Linear Feet Float Home 24'x33' |
| 700 | #22 | KOONTZ | Boat House 16'x30' Docks 106 Linear Feet Swim Platform 12'x16' Float Home 47'x22' |
| 715 | #23 | STELLMON | Boat House 24'x29' Docks 47 Linear Feet Slip 15'x31' Swim Platform 20'x30' Float Home 50'x36' |
| 731 | #24 | GOODSPEED | Float Home 34'x34' |
| 701 | #26 | BRITZMAN | Boat House 17'x32' Docks 75 Linear Feet Float Home 41'x45' |

| | | | |
|-----|-----|----------|--|
| 724 | #27 | TROUT | Docks 150 Linear Feet Float Home 32'x25' |
| 718 | #28 | MOSMAN | Boat House 17'x24' Docks 124 Linear Feet Boat Slip 13'x22' Float Home 32'x25' |
| 702 | #30 | CHESTNUT | Slip Covered 30'x30' Swim Dock 14'x25' Docks 159 Linear Feet Float Home A Frame 23'x42' Float Home #2 38'x28' (two float homes allowed by lease as per agreement) |

ATTACHMENT #5

August 3 2006

Transcript of discussion regarding Hidden Lake

Mr. Hancey: In them meeting in Coeur d'Alene, I suggested we trade time for termination fees. Apparently, that is not compatible with the float home owners and so if we renew a lease for what we got now for another ten years, in another ten years we come back and have the same issue and it just goes on and on in to perpetuity. I don't see what we gain by just re-upping the same lease that we have now. Without stepping forward and saying we're going either have to trade time, take care of that termination clause to just let's do the money now because it will be cheaper now then it will 20 years from now. So I thought there was some agreement in past on the home owners association but now apparently these isn't. I don't know what to do.

Mr. Klatt: When I look at the question that Mr. White has put up before us, I think they are excellent questions. I don't think that in any case within a state park that a private group get exclusive use of the area. I think that is what we all kind of agreed on. That there has to be something different and part of Hidden Lake has to be opened up. I think that was the consensus that the we all reached. But personally, I don't think given some of the interesting features that are within Heyburn State Park, basically cabins, boathouses and the float homes aren't incompatible with those and those don't seem to be incompatible with people enjoying the park so with that sense I reached the conclusion that float homes are not necessary incompatible with public use of the state park. And I think the float homes can be relocated. Then we can go about developing the area that is opened after that, but I do think that the float homes can be consolidated and moved and I think that that is not necessary the financial burden of our department. I think that if we provide an opportunity for the float homes to stay there, I think they may have to ante up if they want to. There may be some other options within the area that are less expensive but I would really like to see us give them option to stay there. I don't see them as being inconsistent with other features of Heyburn State Park.

Mr. Williams: The devil is in the details. We would like them to stay but there are going to be conditions that we are going to require, if they are going to stay. And they find those conditions unacceptable, then there is always the termination provisions of the lease which we are, I think, as a Board, based on our last Board meeting in 2005 prepared to accept if necessary which includes some sort of termination fee. What I'm trying to make clear is the fact that we may have some agreement and some consensus between the Board and the float home owners about a relocation there, we need to tell you what terms we're going to find acceptable, and then your are going to have to decided whether or not those are acceptable to you. I would encourage this Board if we are going down that path to be very specific about what those conditions are so there is not a lot of ambiguity and we're not back here at the Board level every three to six months trying to figure that out.

Mr. Klatt: I think my thought would be that if we make decision and the decision is either we are going to terminate the lease or my preference would be not terminate the lease of there is an option for them to stay there and we actually take a year or whatever it really takes for the staff and attorneys to really work out what would be the new lease. And that should come back to the Board for review and then at that point, it goes to the float home owners for their review and there is still time to work out the details. I don't think at this moment, I would be willing to sit down and hammer out the details today that we are going to write into the lease. I would rather have our staff and attorneys and start putting together a lease and talk about how is this going to work. I now I see it as very possible that there may be a more affordable place if this marina opened up at Harrison, it might be more affordable to move your float homes to Harrison but at least there is an option. As a Board member, my own choice is there is an option for them to stay within the park.

Mr. Hancey: I agree with what Steve says about renegotiating the lease but we got to come up front and say this termination/buy out will not be the same as the present and the bulk of the

homeowners say no, why don't we just say all right fine and then let's plan on removing them and going forward. There has to be some type of stipulation if we're just going waste out time and come back with another meeting and look at each other and say no. We have to have something from them. It's cheaper to buy them out now then 20 years from now.

Mr. Williams: I agree with you.

Mr. Hancey: I don't think anyone is going to argue about that. So if it is going to be an extenuation of the same lease, no. If we're going to consolidate it so we have a chance open up more of the beach, that's a good idea. I can go along with that but the termination is going to be looked at very seriously and do what we can to reduce the responsibility for the public to buy out these float homes.

Mr. Rice: Based on what Mr. Klatt said there are lots of issues that could be up for discussion and negotiations of the lease. I don't know that we need to draw the line in the sand right now with regards to this termination and whether or not it would be a buy out provision. I think that is one of several issues that needs to be negotiated as we do a contract. I think the important thing at this point is, is there an agreement among the Board to try and reach a suitable compromise with regard to relocation within Hidden Lake. And if, in fact, that is true, then I think there is a number of issues that we can discuss regarding the negotiations of the lease. And I don't have a problem if it takes us another year to do that. I think that sends a positive message and one other additional thing, during several points in the presentation I heard speculation that the Board was advocating a "behind the back" approach of getting these leases and then turning around and renting them and I would just like from my stand point, and I'm sure I speak for the other Board members as well that that has never ever, ever been discussed by anybody on the Board and if nothing else this Board has been very up front dealing with you all on this issue and I just want to assure you that that is not the way this Board does business. And that has never even been brought up for discussion.

Mr. Klatt: I would like to clarify in the broadest sense, I think at one time, I may have had this discussion with David in a fairly light-hearted manner but I said what if some of the owners want to sale, like when we bought cabins, do we want to buy float homes and get into the rental business? This was the discussion and his comment was to me was, please, do not do that because parks do not have enough staff to get into cabin cleaning and float home cleaning, so what I think what Randy is saying, in essence, is true but I have made that comment light heartedly to David.

Mr. Hancey: I think this idea of sitting down and negotiating with the homeowners association and we'd say that we would like to do a lease of some sort but I think we got state right now that we do want to develop that beach area. There would be some consolidation of the float home area and if termination/buyout is going to change. And I think we should hear back from them by time of our next meeting whether that's acceptable to them. It doesn't take that long for them to chew on that idea.

Chair McDevitt: Are you talking about a non-renewable lease?

Mr. Hancey: Any lease can be renewed if the willing parties want a new lease so that doesn't make any difference because the Board in ten years can change it but as far as the lease come forth from us is going to have some changes. And if they say no we have to keep the lease the way it is right now, let's buyout now. I think that it can be a pretty strong message to homeowners association that we can't be every ten years going down the same path and presenting legal actions. Let's just do it now. So consolidation, there's going to be change in the termination language and a ten-year lease.

Mr. Williams: I'm not sure that the Board is prepared to consider these float homes with the kind of status that Idaho law if they were hooked up to a land based permanent sewer system would provide them and so I think that some direction along those lines in making sure that they remain as dry cabin would also be a requirement in the lease.

Mr. Hancey: So I'm asking the Board to have the float home owners association come back to the next meeting and say they will be willing to sit down and talk to the Board.

Mr. Lombard: I thought what we were trying to say last time and I think, you guys need to get the picture, this Board is split. We could easily make an argument among ourselves, we could go either way on this, this is the end of it. You guys are too much trouble. We'd just as soon bite the bullet now for whatever costs us and we'll get it over with. On the other hand, there is a consensus that thinks that we should be as fair as possible so you can see the dilemma that we are in but if at the end of another ten-year lease if we haven't solved anything, we just as soon face that bullet now. So that the message I think we are trying to get across to you. Whatever we do, it has to be a solution, not just an ongoing rolling conversation on legalities.

Mr. Williams: Does it make sense for us to instruct staff to prepare a lease for our approval that we would then offer to the float home owners or is it better to let the float home owners work with....in the first case, we would be putting some parameters around that, putting the lease together. The other option is to send staff to meet with the float home owners and together come up with some ideas and see if we like it? Those are two very different outcomes in my mind.

Mr. Hancey: I don't think we want to wait for a year for that.

Mr. Klatt: In business, if I'm leasing property to somebody, I would simply have some specific demands that would have to be met if we're going to have a lease. I would certainly prepare the lease and, at least, put the demands incorporated in lease before I gave it to somebody. Take a look at this. Let's see if there's minor adjustments. This is in essence what I need to have met. I think we should do the same thing. We're not in any hurry here. If they get the idea that where we're going, if, in fact, where we are going is that we are going to move you together on the shoreline and we are going to open up the northwest side of Hidden Lake, they know where we are going. But they have an option to stay there. If we take a year to develop the lease, I don't see that as any problem. There is more than three years left in this agreement. The next year is not critical. I don't see where we are pressed for time and then we will have the time to work out we want to see in it. The attorneys for us have time to write it the way we should have written and then they have it to review. What they do with that after that is their prerogative.

Mr. Williams: The only argument I will give you is that the longer this process takes, the more opportunities may pass these float home owners by in terms of relocation opportunities around the lake. And there is always a possibility at the end of this process, a year of back and forth on this thing, we come to the point where this Board and the float home owners cannot agree on some key provision in that renewal and we say at that point, "OK, not going to work, we went down that avenue and now we're back to reaffirming that affirmation of our decision that we are going to terminate the leases." More time has gone by.

Mr. Klatt: I disagree with that. What we are moving towards is there is going to be one option. The one option is going to be the terms of the new lease. And if they choose not to like it, If I were a float home owner, I don't like this Board very much. I'm going to find somebody who wants me to be...wherever it is. I'd start looking around. If there's a possibility that another marina is going to be available, I'd go start looking. That's their responsibility. It is not our responsibility on their behalf. Our responsibility is to the people of Idaho at large and the state park system to come up with the best lease. If we do that in the next 12 months, that's still lots of time. It still gives them two years to make up their minds if they want to stay or leave or whatever they want to do. This should be developed over our own time element and handed it to them and say "Here it is. What do you think?"

Mr. Hancey: I still feel uncomfortable waiting a year. It shouldn't take that long to write up a lease. In fact, we could write up a lease next week and give it to them saying, "here's what we would like to see if you want to stay at Hidden Lake." If you don't stay, they have their opportunities to make their decisions and see what's going to happen. I still don't think a year is a proper length of time to come back and hash over the details.

Mr. Klatt: Why don't we get it done as soon as we can get it done. I was using a year figuratively. I didn't mean that we literally take a year. However, this may not be at the top of Mr. Strack's priority list for the next couple months so he may not even sit down and look at it. That's all I was saying. I don't see any harm in that but it seems that we need to make a decision.

ATTACHMENT #6

| | | |
|---------------------------------------|--|--------------------------------|
| <input type="checkbox"/> IDAPA RULE | <input type="checkbox"/> IDAPA FEE | X BOARD ACTION REQUIRED |
| <input type="checkbox"/> BOARD POLICY | <input type="checkbox"/> INFO ONLY, NO ACTION REQUIRED | |

**Idaho Department of Parks and Recreation Board Meeting
Best Western Lodge at River's Edge
Orofino Idaho
August 2-4, 2006**

AGENDA ITEM: FY 2006 Fiscal Year End Financial Statement

ACTION REQUIRED: **Board Action Required**

PRESENTER: Jane Wright, CPA, CIA

DIVISION ADMINISTRATOR: David Ricks

PRESENTATION

BACKGROUND INFORMATION: Enclosed is the agency's 2006 fiscal year end Financial Statement ending June 30, 2006.

A list of fund descriptions along with the source and use of the agency's various funds is included along with the financial statements.

Appropriated amounts reflect transfers between personnel, operating, capital, and trustee & benefits as allowed pursuant to IC § 67-3511 and HB 309, Section 3 (See Appropriation Transfers FY2006 on Page 21 for details).

Management Services Division

Personnel: Vacant positions in the Development Bureau and spending authority in federal funds where grant funds were not available resulted in 8% of the personnel appropriation not being obligated at the end of the fiscal year compared to 12% the year before.

Operating: Operating expenditures are 10% lower this fiscal year than last fiscal year because of a timing issue in paying postage costs to the Department of Administration. Utility costs for the headquarters building in Boise increased 22.8%.

Capital: Capital purchases were expended as budgeted with 97% of the funds utilized.

Trustee & Benefit: Expenditures and encumbrances reflect grants approved by the Board based on cash projections. State Vessel Funds, 0250.01, are transferred to counties as boat registrations are processed in the Registration Section. The percentage obligated between FY2005 and FY2006 is less than 1%.

Operations Division

Personnel: Personnel at 90% obligated are the same as last fiscal year. Percent obligated for funds that can be used for any agency purpose (0001, 0243, 0125, & 0247.06) were 95% obligated.

Operating: Operating expenditures are 3% higher than last fiscal year for the same time period. Operating funds at the end of the fiscal year were dangerously low with a remaining balance in the Park & Recreation Fund, 0243 at \$18,911. Additional research is necessary in preparation of the FY2008 budget to determine the reason for the increase.

Capital: Capital purchases and major maintenance projects progressed as planned for the most part. Capital projects in the Enterprise (0410.01) and Misc. (0349) Funds were restricted to cash available.

Trustee & Benefits: Trustee & Benefit appropriations for the Snowmobile and Cross Country Ski programs are dependent upon the needs of the local clubs and vary considerably from year to year.

Capital Division

The appropriation includes the following:

- FY2005 re-appropriation of \$9,059,200
- FY2006 appropriation for \$3,318,500, and
- FY 2006 appropriation for Experience Idaho for \$26,500,000

Because the effective date of Experience Idaho was in FY2006, the % obligated is not meaningful.

See Board Agenda for Development Project Status Report.

Statement of Cash Balances

As of March 31, 2006

| Fund | Notes | | | | | | | | | | | | | | | | |
|--|---|---------------|-----------|----------------|---------|---------------|-----------|---------------|---------|------|---------|--------|-------|------|-------|-------|------|
| 0125 Federal Indirect | <p>Indirect funds are transferred in as cash is received from reimbursement for expenditures from federal grant awards. Expenditures exceeded Transfers In by \$54,681.</p> <p>The Land & Water appropriation has been reduced approximately 70% for 2006 and the agency’s proposed indirect rate has gone down. Both reduce the amount of cash projected in this account.</p> <p>Transfers In are calculated based on federally approved indirect rates which are as follows:</p> <table><tr><th>FY</th><th>Admin</th><th>Operations</th><th>SFA</th></tr><tr><td>2005</td><td>8.66%</td><td>22.83%</td><td>2.45%</td></tr><tr><td>2006</td><td>11.67 %</td><td>25.2 %</td><td>2.9 %</td></tr><tr><td>2007</td><td>12.91</td><td>22.12</td><td>1.25</td></tr></table> | FY | Admin | Operations | SFA | 2005 | 8.66% | 22.83% | 2.45% | 2006 | 11.67 % | 25.2 % | 2.9 % | 2007 | 12.91 | 22.12 | 1.25 |
| FY | Admin | Operations | SFA | | | | | | | | | | | | | | |
| 2005 | 8.66% | 22.83% | 2.45% | | | | | | | | | | | | | | |
| 2006 | 11.67 % | 25.2 % | 2.9 % | | | | | | | | | | | | | | |
| 2007 | 12.91 | 22.12 | 1.25 | | | | | | | | | | | | | | |
| 0243 Park & Recreation | <p>The Year To Date Revenue % change over prior year increase is 8.3% and the calendar year increase is 2%. While revenue is up and comparable to prior year, expenditures increased 12%. The dominant reason for the increase in expenditures was the \$150,000 appropriation for routine maintenance in state parks. Additional research will be completed during the compilation of the FY2008 to identify the impact of higher utility and gasoline prices across the system.</p> <p>Other factors that impact the % change in revenue at the end of the fiscal year are:</p> <p>Unearned revenue:</p> <table><tr><td>June 30, 2005</td><td>\$763,565</td></tr><tr><td>June, 30, 2006</td><td>652,772</td></tr></table> <p>Cash received but not recorded as revenue</p> <table><tr><td>June 30, 2005</td><td>\$149,527</td></tr><tr><td>June 30, 2006</td><td>234,584</td></tr></table> <p>The two variables balance each other out so the revenue percentage increase appears to be a solid number.</p> | June 30, 2005 | \$763,565 | June, 30, 2006 | 652,772 | June 30, 2005 | \$149,527 | June 30, 2006 | 234,584 | | | | | | | | |
| June 30, 2005 | \$763,565 | | | | | | | | | | | | | | | | |
| June, 30, 2006 | 652,772 | | | | | | | | | | | | | | | | |
| June 30, 2005 | \$149,527 | | | | | | | | | | | | | | | | |
| June 30, 2006 | 234,584 | | | | | | | | | | | | | | | | |
| 0243.02 Park & Recreation Registration | <p>Revenue in this fund fluctuates with the volume of sticker sales and timing in processing sticker renewals. The Registration Section was more current in processing stickers last fiscal year at this time.</p> <p>Expenditures were transferred on to the administrative portion of Off Road Motor Vehicle Fund (0250.04) to more accurately distribute costs between the registration types.</p> | | | | | | | | | | | | | | | | |

Statement of Cash Balances

As of March 31, 2006

| Fund | Notes |
|--|---|
| 0243.03 Park & Recreation Sawtooth | <p>The negative revenue of \$11,244 is the result of a correcting entry processed in the 2006 fiscal year end. Transfers In related to the sale of the Sawtooth License Plate continues to show positive increases (25.1%).</p> <p>The IDPR has a Memorandum of Understanding that outlines a grant program administered by the Sawtooth Society to utilize funds for recreational projects within the Sawtooth Recreation Area.</p> |
| 0243.04 Park & Recreation Non-Motorized Boating | <p>Cutthroat License Plate revenue is up 19% and 24% for FY2006 & 2007 respectively. A total of 57,393 plates were sold in FY2006. The IDPR receives \$2.50 of each initial cutthroat wildlife special plate and \$1.25 of each renewal for the construction and maintenance of nonmotorized boating access facilities for anglers".</p> |
| 0247 Recreational Fuels | <p>Fiscal Year To Date Revenue increased slightly, .52% according to the Idaho Tax Commission. The percentage increase calculated on the IDPR's Statement of Cash is different because of transferring funds back into this fund that were not utilized for administrative purposes in the prior year and the sale of a vehicle recorded in Fund 0247.06.</p> <p>All administrative fees allowed are tracked and expended out of the Rec Fuels Admin Fund, 0247.06.</p> |
| 0250.01 State Vessel | <p>Revenue fluctuates due to timing in processing sticker sales. Number of stickers sold is stable with little increase or decrease. (See FY2008 Board book for number of stickers sold by season.)</p> <p>Year To Date expenditures equal receipts as revenue is passed through to counties pursuant to a Board approved formula.</p> |
| 0250.02 Cross Country Ski | <p>Fiscal year end revenue for the different activities are as follows:</p> <ul style="list-style-type: none"> ▪ Park n'Ski Passes up 35% ▪ Idaho City Yurt Rental up 17% ▪ Nordic Ski – Ponderosa down 33% ▪ Nordic Ski – Harriman up 9% <p>Expenditures exceeded revenue in all categories except Park n'Ski Passes.</p> |

Statement of Cash Balances

As of March 31, 2006

| | |
|---------------------------------|--|
| 0250.03 Snowmobile | <p>YTD revenue is down 16.1% and sticker sales are down 10%. The decreases were not anticipated because of the good snow this past season.</p> <p>Cash balances at the detail level are as follows: State Snowmobile Fund \$149,872 Snowmobile License Plate Fees \$133,995</p> |
| 0250.04 Motorbike | <p>Revenue fluctuates due to timing in processing sticker sales. See FY2008 Board book for trend data on number of stickers sold for the season. The cash balance in this fund has increased steadily over the last few years because of the growth in the number of motorcycles and ATVs sold. The 137% increase in expenditures reflects the one-time acquisition costs of Bayhorse, which was for \$500,000.</p> |
| 0250.05 Recreational Vehicle | <p>Transfers In are fees collected and calculated on the value of the recreation vehicle (motor home). Revenue in this fund continues to grow because of the increased value of RVs and number of RVs sold. The 7.1% increase in Transfers In exceeds projections.</p> |
| 0266.01 Search and Rescue | <p>Legislation was passed in the 2005 session that increased the registration fee \$1 for each snowmobile (including rental and non resident snowmobiles). The \$1 is deposited in the Snowmobile Search and Rescue Fund (See Idaho Code §67-7106 and 67-2913A).</p> |
| 0348 Federal | <p>Revenue is posted as the Department is reimbursed for expenditures pursuant to the applicable Federal Grant Guidelines or Memorandum of Understanding. Advances to the Federal Fund from other funds are as follows:</p> <ul style="list-style-type: none"> ○ Park & Recreation Fund, 0243, \$500,000; ○ Capital Improvement Fund, 0247.01, \$300,000; ○ Waterways Fund, 0247.02, \$350,000. <p>Billings are current.</p> |
| 0410.01 Enterprise | <p>Year To Date Revenue and expenditures in this fund include all activity that was historically posted in the Business Account Fund, 0410.02 in prior years. Revenue is actually down 1.8% and expenditures up 46% when adding the revenue and expenditures together for the 0410.01 and 0410.02 funds between fiscal years.</p> <p>The revenue decrease reflects the absence of income from Lakeview Village and the significant expenditure increase is because of a construction project to replace waterlines for leaseholders at Heyburn State Park.</p> |

Statement of Cash Balances

As of March 31, 2006

| 0494.05 | This is cash invested from a one-time appropriation. All available funds have been obligated. | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|---|----------------------------|--------------------------------|-----------------------------|------------|-----------------------------|---------|------------------|-----------|-------------|---------|------------|---------|----------------------|--------|------------------|--------|-------------------|-------|-------|-------------|
| 0496.01 Donations | The nature of this fund is project oriented. As a result, revenue and expenditures fluctuate significantly from year to year. Recent revenue posted is related to the proposed Bruneau Science Center. Transfers In was movement of cash between grant numbers completed to consolidate small donation accounts. | | | | | | | | | | | | | | | | | | | | |
| 0496.02 Harriman | The increase in Fiscal Year To Date revenue of 10.8%. The increase in expenditures reflect one time costs posted in the Capital Division for a consultant to prepare a historic structure report on any of the buildings that are national register eligible. | | | | | | | | | | | | | | | | | | | | |
| 0496.03 Park Land Trust | Because of the nature of timber sales and expenditures for projects, the % change generally fluctuates significantly between fiscal years. Detail on cash balances in this fund are as follows: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>Fund 0496.03</i></th><th style="text-align: right;"><i>Unobligated Cash</i></th></tr> </thead> <tbody> <tr> <td>Park Land Trust Development</td><td style="text-align: right;">\$ 605,993</td></tr> <tr> <td>Natural Resource Management</td><td style="text-align: right;">221,993</td></tr> <tr> <td>Mary M McCroskey</td><td style="text-align: right;">1,410,981</td></tr> <tr> <td>Mowry Trust</td><td style="text-align: right;">236,712</td></tr> <tr> <td>Lucky Peak</td><td style="text-align: right;">229,329</td></tr> <tr> <td>Lakeview Acquisition</td><td style="text-align: right;">14,787</td></tr> <tr> <td>Thousand Springs</td><td style="text-align: right;">47,113</td></tr> <tr> <td>Performance Bonds</td><td style="text-align: right;">5,800</td></tr> <tr> <td style="text-align: right;">Total</td><td style="text-align: right; border-top: 1px solid black;">\$2,772,708</td></tr> </tbody> </table> | <i>Fund 0496.03</i> | <i>Unobligated Cash</i> | Park Land Trust Development | \$ 605,993 | Natural Resource Management | 221,993 | Mary M McCroskey | 1,410,981 | Mowry Trust | 236,712 | Lucky Peak | 229,329 | Lakeview Acquisition | 14,787 | Thousand Springs | 47,113 | Performance Bonds | 5,800 | Total | \$2,772,708 |
| <i>Fund 0496.03</i> | <i>Unobligated Cash</i> | | | | | | | | | | | | | | | | | | | | |
| Park Land Trust Development | \$ 605,993 | | | | | | | | | | | | | | | | | | | | |
| Natural Resource Management | 221,993 | | | | | | | | | | | | | | | | | | | | |
| Mary M McCroskey | 1,410,981 | | | | | | | | | | | | | | | | | | | | |
| Mowry Trust | 236,712 | | | | | | | | | | | | | | | | | | | | |
| Lucky Peak | 229,329 | | | | | | | | | | | | | | | | | | | | |
| Lakeview Acquisition | 14,787 | | | | | | | | | | | | | | | | | | | | |
| Thousand Springs | 47,113 | | | | | | | | | | | | | | | | | | | | |
| Performance Bonds | 5,800 | | | | | | | | | | | | | | | | | | | | |
| Total | \$2,772,708 | | | | | | | | | | | | | | | | | | | | |
| 0496.05 Trail of the Cd'As | Cash balance available to the Department to operate the park continues to decline. As of June 30, 2006 cash available was \$53,741. Cash balance held in trust at Wells Fargo on behalf of the Department and the Coeur d'Alene Tribe was \$3,378,422. | | | | | | | | | | | | | | | | | | | | |

ACTION ITEM

STAFF RECOMMENDATIONS: Staff recommends that the Board approve the financial statements as presented.

Sources & Use of Funds

| Fund Number | Name & Source of Funds | Use of Funds |
|--------------------|--|--|
| 0001 | General Account: General state taxes & interest | Any appropriated purpose |
| 0150.01 | Economic Reserve | Any appropriated purpose |
| 0125 | Federal Indirect Cost: Federal grant indirect cost recovery | General agency administrative cost |
| 0243 | Park & Recreation Account: Park general operational revenues from fees, licensing administration and vendor fees Idaho Code §67-4225 | Any agency operational cost Idaho Code §67-4225 |
| 0243.02 | Park & Recreation Account: 15% Administrative Fee from processing recreational vehicle registrations. Idaho Code §67-7001 thru 67-7133 | Any agency administrative cost Idaho Code §67-7106(3), Idaho Code §67-7013, and Idaho Code §67-7118 |
| 0243.03 | Park & Recreation Account: Sawtooth National Recreation Area (SNRA) Special License Plate sales. Twenty-five dollars of each initial fee and \$15 of each renewal fee shall be deposited in the state treasurer in the park and recreation fund. Idaho Code §49-419A (5) | For use in the maintenance of parks and facilities By MOU, 85% of these funds are transferred to the Sawtooth Society for recreational facilities and services within the SNRA By statute, 15% is retained for any agency administrative cost Idaho Code §49-419A (5) |
| 0243.04 | Non-Motorized Boating: Revenue from the sale of the cutthroat wildlife plate sold pursuant to Idaho Code §49-417 (2)(c) | For the construction and maintenance of non-motorized boating access facilities for anglers Idaho Code §49-417 (2)(c) |
| 0247.01 | Parks & Rec. Capital Improvement: Gas Tax Idaho Code §63-2412(1)(e)2 | Capital improvements and related costs Idaho Code §63-2412(1)(e)2 |

Sources & Use of Funds

| | | |
|---------|---|---|
| 0247.02 | Waterways: Gas Tax | Grants for the boating program |
| 0247.03 | Off Road Motor Vehicle Gas Tax | Grants for the off road motor vehicle programs |
| 0247.04 | Parks & Rec. Road & Bridge: Gas Tax Idaho Code §63-2412(1)(e)3 | Portion for park road improvements and portion for county recreation access & road improvements Idaho Code §63-2412(1)(e)3 |
| 0247.06 | Recreational Fuels Administration: The allowable 20% of gasoline and/or aircraft engine fuel tax received into fund 0247 Idaho Code §63-2412(1)(e)1 & 2 | Any agency administrative expense Idaho Code §63-2412(1)(e)1 & 2 |
| 0250.01 | State Vessel Account: 85% of state boat registration fees Idaho Code §67-7013 | Distributed to counties based on licensee designations Idaho Code §67-7013(3) - (8) |
| 0250.02 | Cross Country Skiing: 85% of cross country ski parking permit, rental income from Idaho City Yurt System, and income from Nordic Pass sales at Ponderosa and Harriman State Parks Idaho Code §67-7115 | Operational costs for cross country skiing program: first, for snow removal from winter recreation parking locations, then as funds allow contracts for ski area grooming and plowing, and yurt maintenance Idaho Code §67-7118(3) |
| 0250.03 | State Snowmobile: 85% of snowmobile license fees Idaho Code §67-7103 | Distributed to designated eligible counties. Undesignated funds used for grants or related maintenance Idaho Code §67-7106(2) |
| 0250.04 | Motorbike: 85% of motorbike license fees and 15% allowable for administration | Operational costs of the trail ranger program, grants for motorbike related projects and administrative costs in the Registration Section. |
| 0250.05 | Recreational Vehicle: 99% of RV license fees. Idaho Code §49-448 | Costs to provide grants for recreational vehicle related projects and associated administrative costs Idaho Code §67-4223(e) |

Sources & Use of Funds

| | | |
|---------|--|--|
| 0266.01 | Snowmobile Search and Rescue Fund: Idaho Code §67-7106 \$1 from each snowmobile certificate of number fee, \$1 from each rental certificate of number fee, and \$1 from each nonresident snowmobile user certificate. | Funds are to be credited to the state snowmobile search and rescue fund created in section 67-2913A, Idaho Code. |
| 0348 | Federal Grant: Funds from federal agencies for internal use and pass-through to local government | Reimbursement for projects and costs that satisfy federal guidelines and agreements |
| 0349 | Miscellaneous Special Revenue: Non-federal grants and contracts | Projects and costs that satisfy the grant guidelines and agreements |
| 0410.01 | Parks & Recreation Enterprise: Enterprise operations such as marinas, cabins, retail sales etc. | Operation of enterprise functions and purchase of goods for resale |
| 0494 | Petroleum Price Violation Fund - Redistribution to the states from the U.S. Department of Energy | Non-Motorized trail projects throughout Idaho |
| 0496.01 | Park Donations: Donations & Contributions Idaho Code §67-4223(k) | General or specific donation purposes Idaho Code §67-4223(k) |
| 0496.02 | Harriman Trust: Harriman park fees, revenues and investment earnings Idaho Code §67-4229B | Harriman ranch operation and maintenance, development or acquisition Idaho Code §67-4229B |
| 0496.03 | Park Land Trust: Trust Funds including balance of seed moneys for McCroskey Trust. Idaho Code §67-4244 | Acquisition of land and related costs, investment of trust funds for specific purposes Idaho Code §67-4244 |
| 0496.05 | Super Fund mitigation with the Union Pacific Railroad. | Operation and maintenance of the Trail of the Coeur d'Alenes. |

IDAHO DEPARTMENT OF PARKS & RECREATION
FY 2006 FINANCIAL STATEMENT
June 30, 2006

| Program/Type | Appropriation | Expenditures | Encumbrance | Balance | % Obligated | Prior Year % Obligated |
|------------------------------------|---------------------|---------------------|--------------------|---------------------|-------------|---------------------------|
| <u>Management Services:</u> | | | | | | |
| Personnel: | 3,129,832 | 2,876,926 | 0 | 252,906 | 91.92% | 88.45% |
| Operating: | 1,369,890 | 1,130,443 | 36,096 | 203,351 | 85.16% | 94.79% |
| Capital: | 119,710 | 111,198 | 4,786 | 3,726 | 96.89% | 81.72% |
| Trustee: | 9,858,966 | 4,628,971 | 3,834,544 | 1,395,451 | 85.85% | 86.23% |
| | 14,478,398 | 8,747,537 | 3,875,426 | 1,855,435 | 87.18% | 87.67% |
| <u>Operations:</u> | | | | | | |
| Personnel: | 8,255,995 | 7,401,303 | 0 | 854,692 | 89.65% | 90.25% |
| Operating: | 4,114,235 | 3,389,304 | 260,793 | 464,138 | 88.72% | 85.38% |
| Capital: | 2,149,715 | 1,511,576 | 145,866 | 492,273 | 77.10% | 85.92% |
| Trustee: | 65,000 | 2,315 | 0 | 62,685 | 3.56% | 34.25% |
| | 14,584,945 | 12,304,497 | 406,660 | 1,873,788 | 87.15% | 88.00% |
| <u>Capital Projects:</u> | | | | | | |
| Personnel: | 0 | 0 | 0 | 0 | N/A | |
| Operating: | 2,000,000 | 4,539 | 0 | 1,995,461 | N/A | 0.00% |
| Capital: | 41,329,996 | 4,608,926 | 1,903,931 | 34,817,139 | 15.76% | 26.45% |
| Trustee: | 0 | 0 | 0 | 0 | N/A | |
| | 43,329,996 | 4,613,466 | 1,903,931 | 36,812,600 | 15.04% | 26.45% |
| Total Agency | \$72,393,339 | \$25,665,501 | \$6,186,016 | \$40,541,823 | 44.00% | 65.04% |

IDAHO DEPARTMENT OF PARKS & RECREATION
FY 2006 FINANCIAL STATEMENT
June 30, 2006

| Program/Type | Fund | Appropriation | Expenditures | Encumbrances | Balance | % Obligated |
|----------------------------------|---------|---------------------|--------------------|--------------------|------------------|---------------|
| Management Services: | | | | | | |
| Personnel: | | | | | | |
| General | 0001 | 1,673,500 | 1,673,500 | | - | 100.00% |
| Federal Indirect | 0125 | 225,100 | 186,161 | | 38,939 | 82.70% |
| Economic Reserve | 0150.01 | 52,632 | 52,632 | | (0) | 100.00% |
| Parks & Rec | 0243 | 444,846 | 345,800 | | 99,046 | 77.73% |
| Parks & Rec Reg | 0243.02 | 234,954 | 208,323 | | 26,631 | 88.67% |
| Rec Fuels Admin | 0247.06 | 313,100 | 268,798 | | 44,302 | 85.85% |
| b Motorbike | 0250.04 | 43,850 | 43,850 | | 0 | 100.00% |
| b Rec Vehicle | 0250.05 | 70,750 | 70,712 | | 38 | 99.95% |
| Federal Grant | 0348 | 67,900 | 27,150 | | 40,750 | 39.99% |
| Misc Special | 0349 | 3,200 | - | | 3,200 | 0.00% |
| | | 3,129,832 | 2,876,926 | 0 | 252,906 | 91.92% |
| Prior Yr. | | 2,902,563 | 2,567,248 | 0 | 335,315 | 88.45% |
| Operating: | | | | | | |
| General | 0001 | 332,500 | 332,500 | | 0 | 100.00% |
| Federal Indirect | 0125 | 28,700 | 12,784 | | 15,916 | 44.54% |
| Parks & Rec | 0243 | 459,900 | 400,269 | 6,536 | 53,095 | 88.46% |
| Parks & Rec Reg | 0243.02 | 273,500 | 177,142 | 29,560 | 66,798 | 75.58% |
| a Waterways Imp | 0247.02 | 900 | 900 | | - | 100.00% |
| Rec Fuels Admin | 0247.06 | 41,290 | 34,452 | | 6,838 | 83.44% |
| b Motorbike | 0250.04 | 93,800 | 93,287 | | 513 | 99.45% |
| b Rec Vehicle | 0250.05 | 99,500 | 59,311 | | 40,189 | 59.61% |
| Federal Grant | 0348 | 22,200 | 19,797 | | 2,403 | 89.18% |
| Misc Special | 0349 | 17,600 | - | | 17,600 | 0.00% |
| Park Land Trust | 0496.03 | | | | - | 0.00% |
| | | 1,369,890 | 1,130,443 | 36,096 | 203,351 | 85.16% |
| Prior Yr. | | 1,285,337 | 1,162,326 | 56,043 | 66,968 | 94.79% |
| Capital: | | | | | | |
| Federal Indirect | 0125 | 8,000 | 5,942 | 2,057 | 1 | 99.99% |
| Parks & Rec | 0243 | 7,100 | 5,202 | 1,729 | 169 | 97.62% |
| Parks & Rec Reg | 0243.02 | 20,000 | 20,000 | | - | 100.00% |
| a Waterways Imp | 0247.02 | 32,700 | 31,149 | | 1,552 | 95.26% |
| Rec Fuels Admin | 0247.06 | 31,410 | 28,412 | 1,000 | 1,998 | 93.64% |
| b Motorbike | 0250.04 | 7,000 | 6,993 | | 7 | 99.89% |
| b Rec Vehicle | 0250.05 | 13,500 | 13,500 | | - | 100.00% |
| Petroleum Violation | 0494.05 | - | - | | - | 0.00% |
| | | 119,710 | 111,198 | 4,786 | 3,726 | 96.89% |
| Prior Yr. | | 179,763 | 144,447 | 2,454 | 32,862 | 81.72% |
| Trustee: | | | | | | |
| Parks & Rec SNRA | 0243.03 | 50,000 | 46,682 | | 3,318 | 93.36% |
| Cutthroat Wildlife Plate | 0243.04 | 22,000 | 10,000 | 11,500 | 500 | 97.73% |
| a Waterways Imp | 0247.02 | 885,890 | 565,112 | 254,493 | 66,286 | 92.52% |
| a Off Road MV | 0247.03 | 500,000 | 315,806 | 149,339 | 34,855 | 93.03% |
| a Road & Bridge | 0247.04 | 400,000 | 306,070 | 92,923 | 1,007 | 99.75% |
| b State Vessel | 0250.01 | 1,975,000 | 1,615,790 | | 359,210 | 81.81% |
| b Cross Country Ski | 0250.02 | 20,900 | - | | 20,900 | 0.00% |
| b Snowmobile | 0250.03 | 907,570 | 791,783 | | 115,787 | 87.24% |
| b Motorbike | 0250.04 | 400,000 | 69,774 | 317,000 | 13,226 | 96.69% |
| b Rec Vehicle | 0250.05 | 1,998,706 | 409,393 | 1,209,406 | 379,907 | 80.99% |
| Federal Grant | 0348 | 2,598,900 | 498,561 | 1,766,441 | 333,898 | 87.15% |
| Petroleum Violation | 0494.05 | 100,000 | - | 33,442 | 66,558 | 33.44% |
| | | 9,858,966 | 4,628,971 | 3,834,544 | 1,395,451 | 85.85% |
| Prior Yr. | | 7,182,637 | 4,924,978 | 1,268,690 | 988,969 | 86.23% |
| Total Management Services | | \$14,478,398 | \$8,747,537 | \$3,875,426 | 1,855,435 | 87.18% |
| Prior Yr. | | \$11,550,300 | \$8,799,000 | \$1,327,188 | 1,424,112 | 87.67% |

IDAHO DEPARTMENT OF PARKS & RECREATION
FY 2006 FINANCIAL STATEMENT
June 30, 2006

| Program/Type | Fund | Appropriation | Expenditures | Encumbrances | Balance | % Obligated |
|---------------------|---------|---------------|--------------|--------------|---------|-------------|
| Operations: | | | | | | |
| Personnel: | | | | | | |
| General | 0001 | 4,367,000 | 4,367,000 | | - | 100.00% |
| Federal Indirect | 0125 | 38,800 | 36,147 | | 2,653 | 93.16% |
| Economic Reserve | 0150.01 | 132,195 | 132,195 | | (0) | 100.00% |
| Parks & Rec | 0243 | 1,617,700 | 1,331,630 | | 286,070 | 82.32% |
| Rec Fuels Admin | 0247.06 | 260,700 | 203,831 | | 56,869 | 78.19% |
| b Cross Country Ski | 0250.02 | 76,195 | 44,375 | | 31,820 | 58.24% |
| b Motorbike | 0250.04 | 202,853 | 160,977 | | 41,876 | 79.36% |
| b Rec Vehicle | 0250.05 | 100,652 | 81,152 | | 19,500 | 80.63% |
| Federal Grant | 0348 | 844,000 | 655,775 | | 188,225 | 77.70% |
| Misc Special | 0349 | 7,000 | 5,062 | | 1,938 | 72.31% |
| Enterprise | 0410.01 | 347,700 | 158,877 | | 188,823 | 45.69% |
| Park Donations | 0496.01 | 10,486 | - | | 10,486 | 0.00% |
| Harriman | 0496.02 | 80,184 | 79,299 | | 885 | 98.90% |
| Park Land Trust | 0496.03 | 83,741 | 62,954 | | 20,787 | 75.18% |
| Trail of the CDA's | 0496.05 | 86,789 | 82,029 | | 4,760 | 94.52% |
| | | 8,255,995 | 7,401,303 | 0 | 854,692 | 89.65% |
| Prior Yr. | | 7,758,729 | 7,002,096 | | 756,633 | 90.25% |
| Operating: | | | | | | |
| General | 0001 | 626,800 | 626,800 | | - | 100.00% |
| Federal Indirect | 0125 | 2,400 | 2,400 | | 0 | 99.99% |
| Parks & Rec | 0243 | 1,354,535 | 1,250,784 | 84,840 | 18,911 | 98.60% |
| a Capital Imp | 0247.01 | | 513 | | (513) | NA |
| Rec Fuels Admin | 0247.06 | 125,100 | 124,582 | | 518 | 99.59% |
| b Cross Country Ski | 0250.02 | 50,923 | 29,417 | | 21,506 | 57.77% |
| b Snowmobile | 0250.03 | 60,000 | 37,966 | | 22,034 | 63.28% |
| b Motorbike | 0250.04 | 114,177 | 72,339 | | 41,838 | 63.36% |
| b Rec Vehicle | 0250.05 | 265,100 | 43,518 | 155,000 | 66,582 | 74.88% |
| Federal Grant | 0348 | 437,500 | 331,020 | 19,819 | 86,661 | 80.19% |
| Misc Special | 0349 | 75,500 | 8,000 | | 67,500 | 10.60% |
| Enterprise | 0410.01 | 793,500 | 718,372 | 1,135 | 73,993 | 90.68% |
| Park Donations | 0496.01 | 21,283 | 20,725 | | 558 | 97.38% |
| Harriman | 0496.02 | 42,695 | 41,153 | | 1,542 | 96.39% |
| Park Land Trust | 0496.03 | 113,422 | 57,816 | | 55,606 | 50.97% |
| Trail of the CDA's | 0496.05 | 31,300 | 23,899 | | 7,401 | 76.35% |
| | | 4,114,235 | 3,389,304 | 260,793 | 464,138 | 88.72% |
| Prior Yr. | | 3,563,438 | 3,040,524 | 2,000 | 520,914 | 85.38% |

IDAHO DEPARTMENT OF PARKS & RECREATION
FY 2006 FINANCIAL STATEMENT
June 30, 2006

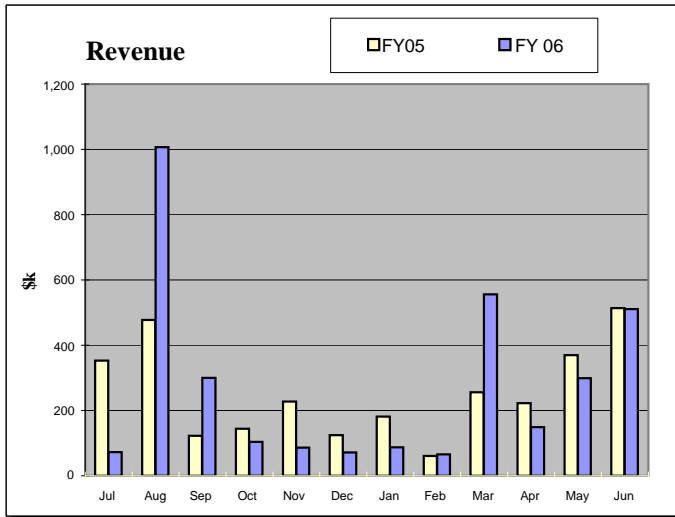
| Program/Type | Fund | Appropriation | Expenditures | Encumbrances | Balance | % Obligated |
|--|-----------|---------------------|---------------------|--------------------|--------------------|-------------|
| Capital: | | | | | | |
| Parks & Rec | 0243 | 23,060 | 22,858 | 146 | 57 | 99.75% |
| a Capital Imp | 0247.01 | 379,055 | 323,651 | 31,788 | 23,616 | 93.77% |
| a Off Road MV | 0247.03 | 1,157,200 | 888,561 | 33,125 | 235,514 | 79.65% |
| Rec Fuels Admin | 0247.06 | 56,800 | 52,509 | 2,921 | 1,370 | 97.59% |
| b Cross Country Ski | 0250.02 | 15,000 | 2,943 | | 12,057 | 19.62% |
| b Snowmobile | 0250.03 | 18,000 | 13,011 | | 4,989 | 72.28% |
| b Motorbike | 0250.04 | 74,500 | 48,025 | 5,651 | 20,823 | 72.05% |
| Federal Grant | 0348 | 66,900 | 28,608 | 29,234 | 9,058 | 86.46% |
| Misc Special | 0349 | 62,000 | 1,721 | | 60,279 | 2.78% |
| Enterprise | 0410.01 | 162,200 | 55,554 | | 106,646 | 34.25% |
| Park Donations | 0496.01 | 85,000 | 26,170 | 43,000 | 15,830 | 81.38% |
| Park Land Trust | 0496.03 | 50,000 | 47,966 | | 2,034 | 95.93% |
| Trail of the CDA's | 0496.05 | | | | - | NA |
| | | 2,149,715 | 1,511,576 | 145,866 | 492,273 | 77.10% |
| Prior Yr. | | 2,253,518 | 1,535,727 | 400,557 | 317,234 | 85.92% |
| Operations (continued): | | | | | | |
| Trustee: | | | | | | |
| b Cross Country Ski | 0250.02 | 20,000 | 2,315 | | 17,685 | 11.57% |
| b Snowmobile | 0250.03 | 45,000 | - | | 45,000 | 0.00% |
| b Motorbike | 0250.04 | | | | - | NA |
| | | 65,000 | 2,315 | 0 | 62,685 | 3.56% |
| Prior Yr. | | 65,000 | 22,262 | 0 | 42,738 | 34.25% |
| Total Park Operations | | \$14,584,945 | \$12,304,497 | \$406,660 | \$1,873,788 | 87.15% |
| Prior Yr. | | \$13,640,685 | \$11,600,609 | \$402,557 | 1,637,519 | 88.00% |
| Capital Projects: | | | | | | |
| Operating: | | | | | | |
| Economic Reserve | 0150.01 | 2,000,000 | 4539.48 | | 1,995,461 | NA |
| | | 2,000,000 | 4,539 | 0 | 1,995,461 | N/A |
| c Capital: | | | | | | |
| General | 0001 | 550,000 | 304,108 | 170,776 | 75,116 | 86.34% |
| Economic Reserve | 0150.01 | 9,500,000 | - | | 9,500,000 | 0.00% |
| Parks & Rec | 0243 | 444,864 | 148,186 | 108,899 | 187,779 | 57.79% |
| a Capital Imp | 0247.01 | 2,092,162 | 607,052 | 191,291 | 1,293,818 | 38.16% |
| a Waterways Imp | 0247.02 | 500,110 | 109,331 | 50,592 | 340,187 | 31.98% |
| a Off Road MV | 0247.03 | 84,000 | 83,523 | | 477 | 99.43% |
| a Road & Bridge | 0247.04 | 773,200 | 520,478 | 128,741 | 123,981 | 83.97% |
| b Motorbike | 0250.04 | | 500,000 | | (500,000) | N/A |
| a Rec Vehicle | 0250.05 | 4,659,580 | 1,195,715 | 1,096,626 | 2,367,239 | 49.20% |
| Federal Grant | 0348 | 2,803,903 | 509,736 | 2,400 | 2,291,767 | 18.27% |
| Misc Special | 0349 | 10,000 | 4,776 | | 5,224 | 47.76% |
| Enterprise | 0410.01 | 1,538,033 | 507,566 | 77,216 | 953,251 | 38.02% |
| Park Donations | 0496.01 | 2,321,644 | - | 57,000 | 2,264,644 | 2.46% |
| Harriman | 0496.02 | 62,500 | 5,763 | | 56,737 | N/A |
| Park Land Trust | 0496.03 | 15,990,000 | 112,691 | 20,388 | 15,856,921 | 0.83% |
| Park Land Trust-Pond | 0496.04 | | | | - | 0.00% |
| | | 41,329,996 | 4,608,926 | 1,903,931 | 34,817,139 | 15.76% |
| Total Development | | 43,329,996 | 4,613,466 | 1,903,931 | 36,812,600 | 15.04% |
| Prior Yr. | | \$14,885,921 | \$1,374,377 | \$2,562,731 | 10,948,813 | 26.45% |
| a Recreational Fuels | | | | | | |
| b Registration Funds | | | | | | |
| c Includes Prior Year Reappropriation | | | | | | |
| d Transferred to Fund 0496.04 | | | | | | |
| Total Agency | | \$72,393,339 | \$25,665,501 | \$6,186,016 | 40,541,823 | 44.00% |
| DAFR 8290 1(PG1) 4(0B4) 2(FD2) | Prior Yr. | \$40,076,906 | \$21,773,986 | \$4,292,476 | 14,010,444 | 65.04% |
| 06fstmJune.xls DETFIN | | | | | | |

IDAHO DEPARTMENT OF PARKS & RECREATION
FY 2006 FINANCIAL STATEMENT
June 30, 2006

| Program/Type | Fund | Appropriation | Expenditures | Encumbrances | Balance | % Obligated | % Prior Year |
|--------------------------|---------|---------------------|---------------------|--------------------|---------------------|-------------|--------------|
| Fund Summary | | | | | | | |
| General | 0001 | 7,549,800 | 7,303,908 | 170,776 | 75,116 | 99.01% | 93.46% |
| Federal Indirect | 0125 | 303,000 | 243,434 | 2,057 | 57,509 | 81.02% | .81.45 |
| Economic Reserve | 0150.01 | 11,684,827 | 189,367 | 0 | 11,495,460 | NA | N/A |
| Parks & Rec | 0243 | 4,352,005 | 3,504,729 | 202,150 | 645,126 | 85.18% | 76.06% |
| Parks & Rec | 0243.02 | 528,454 | 405,465 | 29,560 | 93,429 | 82.32% | 98.99% |
| Parks & Rec | 0243.03 | 50,000 | 46,682 | 0 | 3,318 | 93.36% | 67.41% |
| Cutthroat Wildlife Plate | 0243.04 | 22,000 | 10,000 | 11,500 | 500 | 97.73% | 0.00% |
| Capital Imp | 0247.01 | 2,471,217 | 931,216 | 223,080 | 1,316,921 | 46.71% | 48.01% |
| Waterways Imp | 0247.02 | 1,419,600 | 706,491 | 305,085 | 408,024 | 71.26% | 70.46% |
| Off Road MV | 0247.03 | 1,741,200 | 1,287,891 | 182,464 | 270,845 | 84.44% | 84.71% |
| Road & Bridge | 0247.04 | 1,173,200 | 826,549 | 221,664 | 124,988 | 89.35% | 50.62% |
| Rec Fuels Admin | 0247.06 | 828,400 | 712,583 | 3,921 | 111,895 | 86.49% | 89.75% |
| State Vessel | 0250.01 | 1,975,000 | 1,615,790 | 0 | 359,210 | 81.81% | 94.92% |
| Cross Country Ski | 0250.02 | 183,018 | 79,049 | 0 | 103,969 | 43.19% | 55.34% |
| Snowmobile | 0250.03 | 1,030,570 | 842,760 | 0 | 187,810 | 81.78% | 67.90% |
| Motorbike | 0250.04 | 936,180 | 995,245 | 322,651 | (381,716) | 140.77% | 82.64% |
| Rec Vehicle | 0250.05 | 7,207,788 | 1,873,301 | 2,461,032 | 2,873,455 | 60.13% | 54.63% |
| Federal Grant | 0348 | 6,841,303 | 2,070,648 | 1,817,894 | 2,952,761 | 56.84% | 57.19% |
| Misc Special | 0349 | 175,300 | 19,559 | 0 | 155,741 | 11.16% | 23.18% |
| Enterprise | 0410.01 | 2,841,433 | 1,440,370 | 78,351 | 1,322,712 | 53.45% | 40.06% |
| Petroleum Violation | 0494.05 | 100,000 | 0 | 33,442 | 66,558 | 33.44% | 10.00% |
| Park Donations | 0496.01 | 2,438,413 | 46,895 | 100,000 | 2,291,518 | 6.02% | 0.53% |
| Harriman | 0496.02 | 185,379 | 126,215 | 0 | 59,164 | 68.08% | 103.44% |
| Park Land Trust | 0496.03 | 16,237,163 | 281,426 | 20,388 | 15,935,349 | 1.86% | 54.17% |
| Trail of the CDA's | 0496.05 | 118,089 | 105,928 | 0 | 12,161 | 89.70% | 101.02% |
| | | \$72,393,339 | \$25,665,501 | \$6,186,016 | \$40,541,823 | 44.00% | 65.04% |

| IDAHO DEPARTMENT OF PARKS & RECREATION | | | | | | | | | | |
|---|-------------------------------------|--------------|--------------|------------------|--------------|--------------|--------------|--------------|-------------|--------------------------|
| FY2006 STATEMENT OF CASH BALANCES | | | | | | | | | | |
| As of June 30, 2006 | | | | | | | | | | |
| | | | | | | | | | | |
| Fund | Fund Name | YTD Revenues | % Chg Pry Yr | YTD Transfers In | % Chg Pry Yr | YTD Expenses | % Chg Pry Yr | Cash Balance | Encumbrance | Unobligated Cash Balance |
| 0125 | Federal Indirect | - | N/A | 201,908 | -25.4% | (256,589) | 9.0% | 595,674 | 2,057 | 593,617 |
| 0243 | Parks & Rec | 3,307,791 | 8.3% | 58,145 | N/A | (3,562,298) | 12.1% | 1,822,636 | 202,150 | 1,620,486 |
| 0243.02 | Parks & Rec - Registration | 499,587 | -5.6% | - | N/A | (405,465) | -15.5% | 1,378,306 | 29,560 | 1,348,746 |
| 0243.03 | Parks & Rec - Sawtooth | (11,244) | -200.0% | 45,842 | 25.1% | (46,682) | 15.4% | 9,278 | - | 9,278 |
| 0243.04 | Parks & Rec - Non-motorized Boating | - | N/A | 11,126 | N/A | (10,000) | N/A | 15,054 | 11,500 | 3,554 |
| 0247.01 | Capital Imp | 12,508 | 48.9% | 1,357,636 | 1.9% | (1,244,244) | 31.0% | 894,013 | 272,214 | 621,799 |
| 0247.02 | Waterways Imp | 23,000 | N/A | 1,352,866 | 1.6% | (834,480) | -8.5% | 1,224,584 | 404,170 | 820,414 |
| 0247.03 | Off Road MV | 2,775 | -81.9% | 1,352,866 | 1.6% | (1,614,790) | 43.3% | 813,460 | 230,482 | 582,978 |
| 0247.04 | Road & Bridge | - | N/A | 704,615 | 26.3% | (859,865) | 12.2% | 918,646 | 222,225 | 696,421 |
| 0247.06 | Rec Fuels Admin | 5,949 | -43.3% | 853,391 | N/A | (718,784) | N/A | 146,757 | 3,921 | 142,836 |
| 0250.01 | State Vessel | 1,615,790 | 4.2% | - | N/A | (1,615,790) | -2.6% | - | - | - |
| 0250.02 | Cross Country Ski | 71,196 | 0.1% | 16,120 | 5383.2% | (82,104) | 2.0% | 92,886 | - | 92,886 |
| 0250.03 | Snowmobile | 737,143 | -16.1% | 66,128 | 83.3% | (862,643) | -4.0% | 920,850 | - | 920,850 |
| 0250.04 | ¹ Motorbike | 804,738 | -14.9% | - | N/A | (1,007,340) | 137.7% | 1,768,850 | 329,351 | 1,439,499 |
| 0250.05 | Rec Vehicle | 26,676 | -83.9% | 4,023,231 | 7.1% | (3,909,370) | 56.2% | 5,591,432 | 2,891,974 | 2,699,458 |
| 266.01 | Snowmobile Search & Rescue | 42,872 | N/A | - | N/A | (42,872) | - | - | - | - |
| 0348 | Federal Grant | 3,307,099 | N/A | 77,536 | N/A | (3,442,010) | 34.8% | 374,549 | 2,181,255 | (1,806,706) |
| 0349 | Misc Special | 13,238 | N/A | - | N/A | (19,559) | -39.5% | 45,030 | - | 45,030 |
| 0410.01 | Enterprise | 1,108,014 | 21.7% | 174,810 | N/A | (1,488,950) | 83.9% | 713,439 | 78,351 | 635,088 |
| 0410.02 | Business Accounts | 16,706 | -92.9% | - | N/A | - | -100.0% | 0 | - | 0 |
| 0494.05 | Petroleum Violation | 1,237 | N/A | - | N/A | - | N/A | 33,669 | 33,442 | 227 |
| 0496.01 | Park Donations | 130,976 | -47.1% | 32,042 | 1923.1% | (46,895) | 188.5% | 1,099,875 | 100,000 | 999,875 |
| 0496.02 | Harriman | 160,458 | 10.8% | 76,020 | N/A | (126,215) | 5.6% | 839,112 | - | 839,112 |
| 0496.03 | Park Land Trust(PLT) | 148,257 | -22.9% | 47,976 | -89.1% | (331,383) | 14.4% | 2,793,096 | 20,388 | 2,772,708 |
| 0496.05 | Trail of the Coeur D'Alenes | 4,317 | -95.1% | - | N/A | (105,928) | -9.0% | 53,742 | - | 53,742 |
| Notes: ¹ Includes 15% for administration | | | | | | | | | | |
| CASH BALANCE reconciles to DAFR 8190 - Statement of Cash Position | | | | | | | | | | |

FUND 0243 - State FY2006

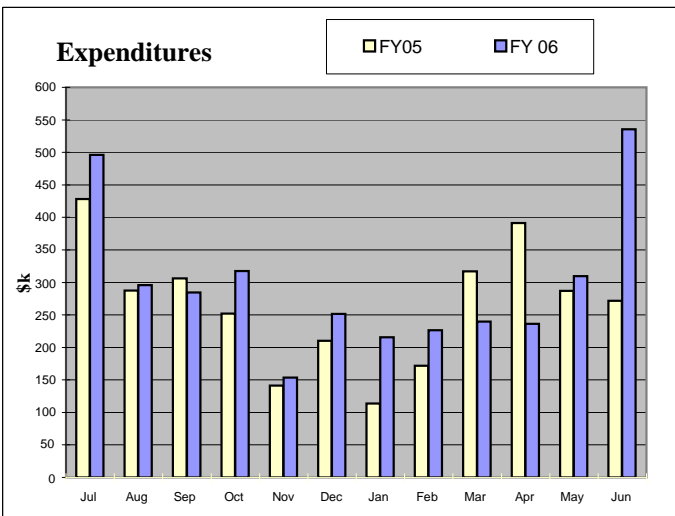


| | Apr | May | Jun | QTD | YTD |
|----------------|---------|---------|---------|-----------|-----------|
| FY05 | 222,813 | 369,954 | 514,120 | 1,106,887 | 3,054,305 |
| FY06 | 149,192 | 298,930 | 510,378 | 958,500 | 3,307,791 |
| %change | -33.0% | -19.2% | -0.7% | -13.4% | 8.3% |

Fiscal Year To Date revenue is up 8.3% .
Calendar Year revenue is up 2%.

This is the agency's first year utilizing a central call center to reserve camp sites and other facilities available to the public in state parks.

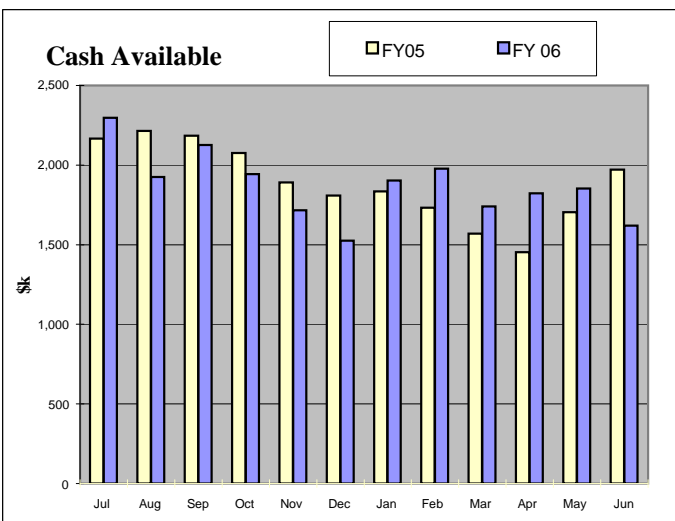
FY 2006 revenue does not include sales recorded at the parks in the CAMIS reservation system because of the vendor's inability to report sales data to the IDPR.



| | Apr | May | Jun | QTD | YTD |
|----------------|---------|---------|---------|-----------|-----------|
| FY05 | 391,196 | 287,092 | 271,482 | 949,770 | 3,177,416 |
| FY06 | 236,348 | 309,829 | 535,543 | 1,081,721 | 3,562,298 |
| %change | -39.6% | 7.9% | 97.3% | 13.9% | 12.1% |

FY2006 was the first year the agency allocated \$150,000 out of this fund for minor maintenance and capital equipment replacement.

In addition, parks have seen up to a 15% inflation on fixed costs such as gasoline and utility bills.

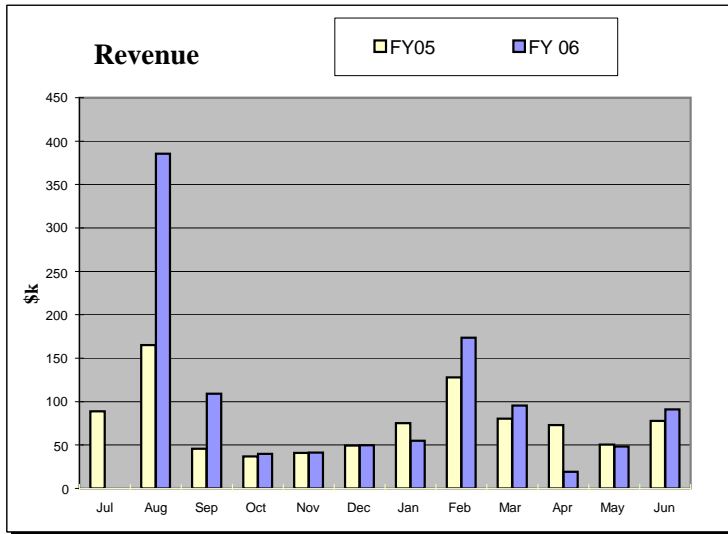


| | Apr | May | Jun | YTD |
|----------------|-----------|-----------|-----------|-----------|
| FY05 | 1,453,542 | 1,704,621 | 1,971,768 | 1,971,768 |
| FY06 | 1,823,401 | 1,853,297 | 1,620,486 | 1,620,486 |
| %change | 25.4% | 8.7% | -21.7% | -17.8% |

While ending cash is down from prior fiscal year, cash is sufficient to support operations through the end of the season and start up next spring.

The ending cash balance does not include a \$500,000 cash advance to the Federal Fund, 0348.

FUND 0410.01 - State FY2006

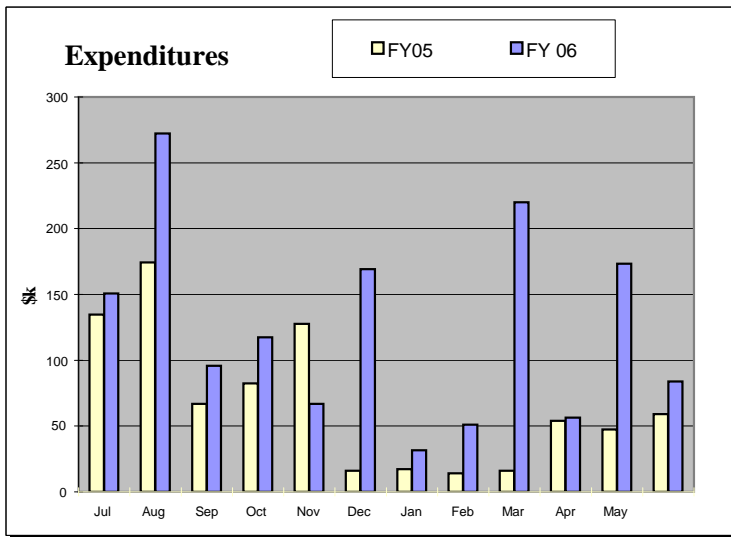


| | Apr | May | Jun | QTD | YTD |
|---------|--------|--------|--------|---------|-----------|
| FY05 | 72,864 | 50,341 | 77,682 | 200,887 | 910,588 |
| FY06 | 19,226 | 48,256 | 91,122 | 158,604 | 1,108,014 |
| %change | -73.6% | -4.1% | 17.3% | -21.0% | 21.7% |

Year To Date Revenue and expenditures in this fund include all activity that was historically posted in the Business Account Fund, 0410.02 in prior years. After combining revenue for the two funds, revenue is actually down 1.8% .

FY 2006 revenue does not include sales recorded at the parks in the CAMIS reservation system because of the vendor's inability to report sales data to the IDPR.

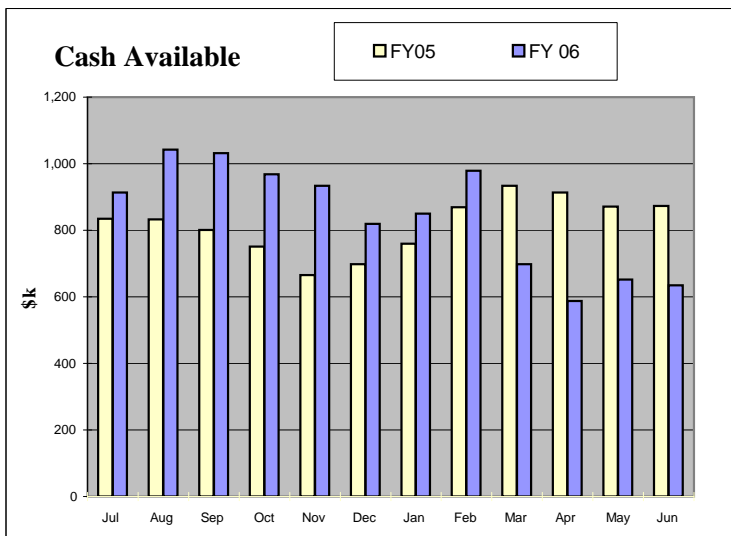
Lakeview Village was closed because of construction beginning in 2005, and any future revenue will be included in the Park & Recreation Fund 0243.



| | Apr | May | Jun | QTD | YTD |
|---------|--------|---------|--------|---------|-----------|
| FY05 | 54,089 | 47,407 | 59,026 | 160,521 | 809,462 |
| FY06 | 56,405 | 173,279 | 83,866 | 313,550 | 1,488,950 |
| %change | 4.3% | 265.5% | 42.1% | 95.3% | 83.9% |

Expenditures are up 46% when adding the revenue and expenditures together for the 0410.01 and 0410.02 funds for the fiscal year.

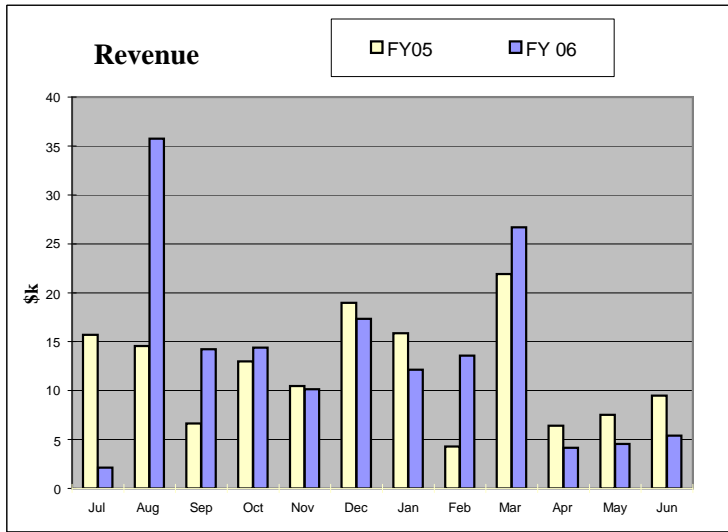
The increase is because of a construction project to replace waterlines for leaseholders at Heyburn State Park.



| | Apr | May | Jun | YTD |
|---------|---------|---------|---------|---------|
| FY05 | 913,182 | 870,696 | 872,953 | 872,953 |
| FY06 | 587,372 | 651,877 | 635,088 | 635,088 |
| %change | -35.7% | -25.1% | -27.2% | -27.2% |

The decrease in ending fiscal year cash is not surprising considering the overall decrease in revenue and increase in expenditures.

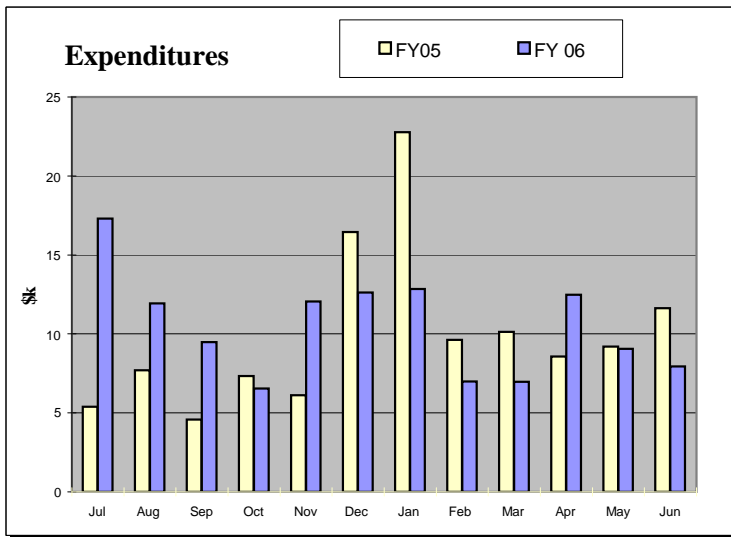
FUND 0496.02 - State FY2006



| | Apr | May | Jun | QTD | YTD |
|---------|--------|--------|--------|--------|---------|
| FY05 | 6,416 | 7,526 | 9,486 | 23,428 | 144,801 |
| FY06 | 4,148 | 4,548 | 5,410 | 14,106 | 160,458 |
| %change | -35.4% | -39.6% | -43.0% | -39.8% | 10.8% |

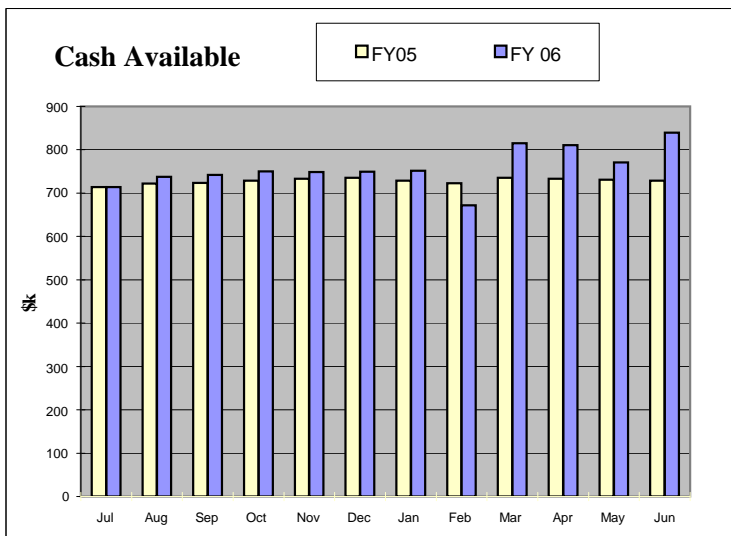
There has been no change in services and facilities provided at this site.

Hosting the historic preservation school in FY05 utilized one of the structures that would have otherwise been rented to the public. While hosting the school was a benefit to the park through analysis of its historic structures, it caused FY2005 revenue to be lower than normal.



| | Apr | May | Jun | QTD | YTD |
|---------|--------|-------|--------|--------|---------|
| FY05 | 8,564 | 9,193 | 11,621 | 29,377 | 119,469 |
| FY06 | 12,486 | 9,057 | 7,939 | 29,482 | 126,215 |
| %change | 45.8% | -1.5% | -31.7% | 0.4% | 5.6% |

Expenditures increased for general inflation and a historic structure planning report that cost \$5,700.



| | Apr | May | Jun | YTD |
|---------|---------|---------|---------|---------|
| FY05 | 732,879 | 730,983 | 728,849 | 728,849 |
| FY06 | 810,329 | 771,033 | 839,112 | 839,112 |
| %change | 10.6% | 5.5% | 15.1% | 15.1% |

The cash balance has been growing incrementally for the last few years as revenue exceeded operating expenditures.

PARK REVENUE COMPARISON

FUNDS 0243 and 0496.02

| | Fiscal Year End | | |
|------------------|---------------------|---------------------|-------------|
| | Revenue | | |
| | 2005 | 2006 | % change |
| Priest Lake | \$ 247,731 | \$ 256,173 | 3.41 |
| Round Lake | \$ 74,973 | \$ 78,955 | 5.31 |
| Farragut | \$ 476,255 | \$ 498,245 | 4.62 |
| Old Mission | \$ 42,467 | \$ 39,156 | -7.80 |
| Heyburn | \$ 313,650 | \$ 329,855 | 5.17 |
| CDA Parkway | \$ 19,220 | \$ 18,393 | -4.30 |
| 4 M | | | N/A |
| Dworshak | \$ 138,422 | \$ 113,803 | -17.79 |
| Hells Gate | \$ 271,931 | \$ 300,986 | 10.68 |
| Winchester | \$ 96,834 | \$ 103,909 | 7.31 |
| Ponderosa | \$ 287,513 | \$ 301,551 | 4.88 |
| Eagle Island | \$ 83,736 | \$ 103,180 | 23.22 |
| Lucky Peak | \$ 105,224 | \$ 138,781 | 31.89 |
| Bruneau | \$ 161,298 | \$ 138,273 | -14.27 |
| Three Island | \$ 174,438 | \$ 175,805 | 0.78 |
| Cascade | \$ 120,491 | \$ 130,938 | 8.67 |
| Thousand Springs | \$ 40,477 | \$ 43,190 | 6.70 |
| City of Rocks | \$ 73,983 | \$ 86,075 | 16.34 |
| Castle Rocks | \$ 11,083 | \$ 16,229 | 46.44 |
| Walcott | \$ 44,820 | \$ 52,863 | 17.94 |
| Massacre | \$ 64,398 | \$ 70,308 | 9.18 |
| Bear Lake | \$ 52,720 | \$ 73,576 | 39.56 |
| Harriman * | \$ 151,518 | \$ 168,213 | 11.02 |
| Henry's Lake | \$ 61,275 | \$ 76,800 | 25.34 |
| Mesa Falls | | | N/A |
| Yankee Fork | \$ 1,429 | \$ 1,476 | 3.30 |
| Totals | \$ 3,115,885 | \$ 3,316,734 | 6.45 |

* Includes Harriman Fund Revenue, 0496.02

Note: Reservation window changed in January, 2006 from 3 to 9 months

PARK REVENUE COMPARISON

FUNDS 0243 and 0496.02

| | January-June | | |
|------------------|---------------------|---------------------|-------------|
| | Revenue | | |
| | 2005 | 2006 | % change |
| Priest Lake | \$ 120,940 | \$151,389 | 25.18 |
| Round Lake | \$ 34,871 | \$33,827 | -2.99 |
| Farragut | \$ 246,852 | \$275,408 | 11.57 |
| Old Mission | \$ 17,490 | \$13,680 | -21.79 |
| Heyburn | \$ 194,604 | \$186,818 | -4.00 |
| CDA Parkway | \$ 7,166 | \$7,313 | 2.05 |
| 4 M | | | N/A |
| Dworshak | \$ 61,932 | \$44,440 | -28.24 |
| Hells Gate | \$ 134,302 | \$136,580 | 1.70 |
| Winchester | \$ 49,080 | \$51,805 | 5.55 |
| Ponderosa | \$ 168,683 | \$182,206 | 8.02 |
| Eagle Island | \$ 51,420 | \$50,065 | -2.64 |
| Lucky Peak | \$ 35,133 | \$43,466 | 23.72 |
| Bruneau | \$ 108,690 | \$84,225 | -22.51 |
| Three Island | \$ 93,229 | \$93,137 | -0.10 |
| Cascade | \$ 52,605 | \$38,157 | -27.46 |
| Thousand Springs | \$ 25,097 | \$28,297 | 12.75 |
| City of Rocks | \$ 35,357 | \$41,891 | 18.48 |
| Castle Rocks | \$ 2,059 | \$4,601 | 123.50 |
| Walcott | \$ 21,876 | \$27,127 | 24.01 |
| Massacre | \$ 30,734 | \$28,328 | -7.83 |
| Bear Lake | \$ 18,240 | \$20,218 | 10.84 |
| Harriman * | \$ 70,355 | \$70,802 | 0.63 |
| Henry's Lake | \$ 34,436 | \$33,694 | -2.15 |
| Mesa Falls | | | N/A |
| Yankee Fork | \$ 135 | \$822 | 507.84 |
| Totals | \$ 1,615,286 | \$ 1,648,296 | 2.04 |

* Includes revenue in Harriman Fund, 0496.02

Note: Reservation window was change in January of 2006

APPROPRIATION TRANSFERS FY2006

| AMOUNT | FROM | | FUND | DESCRIPTION | TO | | FUND | DESCRIPTION | FOR |
|---------------|-------------|-------------------|-------------|----------------------------|-----------|-----------|-------------|----------------------------|--|
| \$ 25,175 | MS | Trustee & Benefit | 0247.02 | Waterways Gas Tax | MS | Capital | 0247.02 | Waterways Gas Tax | Waterways grant project approved by the IDPR Board for 19' Patrol Boat at Minidoka |
| \$ 500,110 | MS | Trustee & Benefit | 0247.02 | Waterways Gas Tax | OPS | Capital | 0247.02 | Waterways Gas Tax | IDPR Waterways Grants |
| \$ 2,125,724 | MS | Trustee & Benefit | 0250.05 | Recreational Vehicle | OPS | Capital | 0250.05 | Recreational Vehicle | IDPR RV Grants |
| \$ 19,000 | OPS | Operating | 0001 | General Fund | MS | Operating | 0001 | General Fund | Move Volunteer Coordinator Operating Budget to correct Division |
| \$ 31,500 | OPS | Personnel | 0348 | Federal | OPS | Operating | 0348 | Federal | Agreement with Dept of Lands for Community Fire Protection |
| \$ 50,000 | OPS | Personnel | 0496.03 | Park Land Trust | OPS | Capital | 0496.03 | Park Land Trust | McCroskey Road Improvement |
| \$ 3,600 | MS | Operating | 0243 | Parks & Recreation | MS | Capital | 0243 | Parks & Recreation | Replace pump in HQ fire suppression pond |
| \$ 46,000 | MS | Personnel | 0243 | Parks & Recreation | MS | Operating | 0243 | Parks & Recreation | Move personnel budget for seasonal position to contract services for FY2006 |
| \$ 2,000 | OPS | Operating | 0349 | Miscellaneous Special | OPS | Capital | 0349 | Miscellaneous Special | Computer replacement for Recreation Initiative program |
| \$ 155,000 | MS | Trustee & B | 0250.05 | Recreational Vehicle | OPS | Operating | 0250.05 | Recreational Vehicle | To pay Reservation System Vendor |
| \$ 30,000 | Ops | Trustee & B | 0250.04 | Motorbike | OPS | Operating | 0250.04 | Motorbike | IDPR OHV Grant GMB53451 |
| \$ 100,000 | OPS | Personnel | 0348 | Federal | OPS | Operating | 0348 | Federal | Fund OHV Education Operating-Recreation Trails Grant Funds |
| \$ 7,000 | MS | Trustee & B | 0250.05 | Recreational Vehicle | MS | Capital | 0250.04 | Motorbike | ORMV Education Trailer |
| \$ 6,410 | MS | Operating | 0247.06 | Recreational Vehicle Admin | MS | Capital | 0247.06 | Recreational Vehicle Admin | Replacement Vehicle and Color Printer |
| \$ 23,060 | OPS | Operating | 0243 | Parks & Recreation | OPS | Capital | 0243 | Parks & Recreation | Major Maintenance Projects |
| \$ 7,250 | OPS | Operating | 0243 | Parks & Recreation | CAP | Capital | 0243 | Parks & Recreation | Development Project at CIRO |

ATTACHMENT #7

The 2006-2010 IDPR Strategic Plan

Mission Statement

To improve the quality of life in Idaho through outdoor recreation and resource stewardship

Goals and Objectives

Focus On Core Responsibilities—

1. Consider the day-to-day management of our legislatively authorized parks and programs our first priority
2. Devote a significant share of agency resources to improving the condition of our facilities
3. Determine what outdoor recreation facilities are needed by the public and determine the best way to see that they are provided
4. Be responsive to scheduling resources to customer requests through an enhanced reservation system

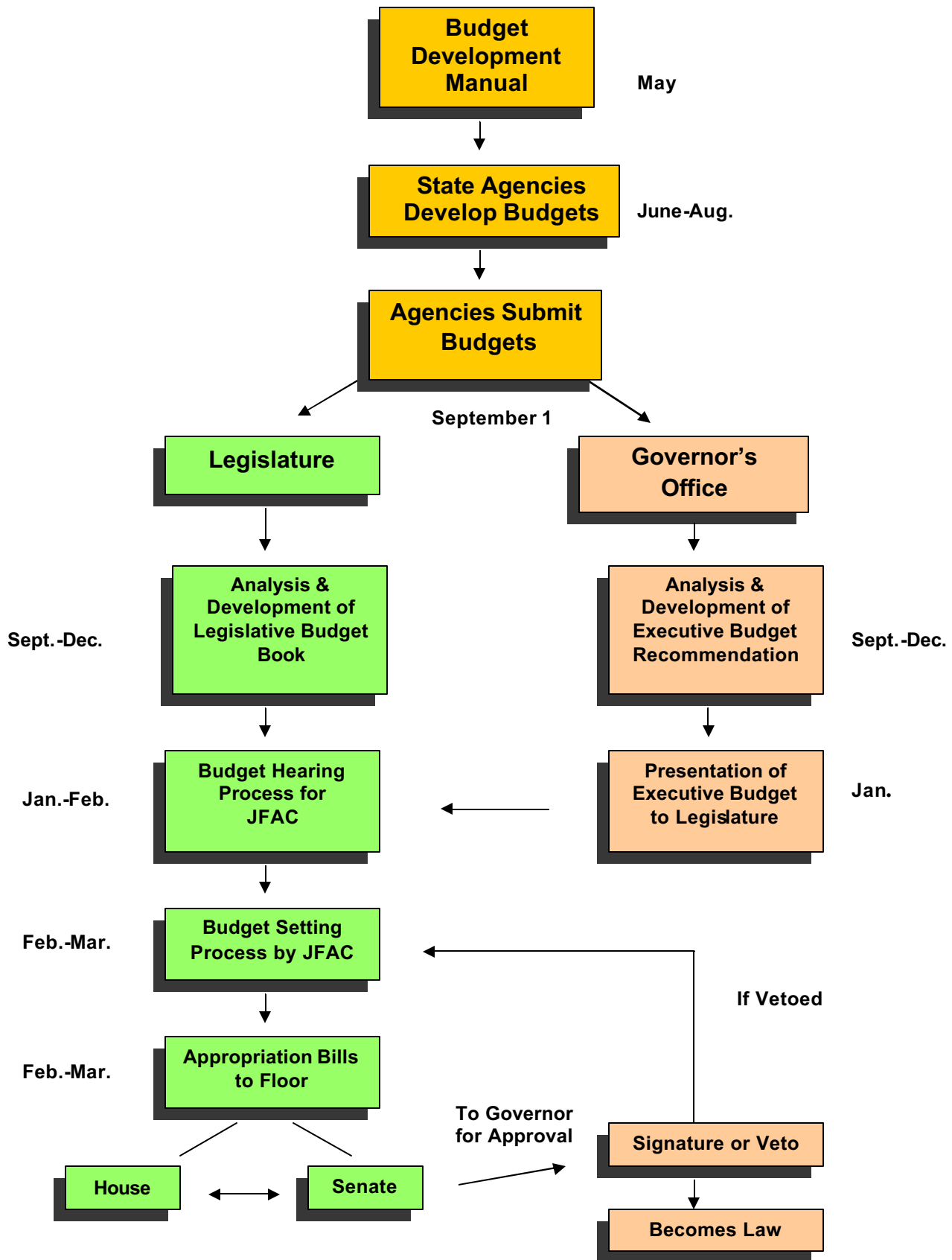
Address The Issues Associated With Growing Demand—

1. Assure public access for outdoor recreation through key land acquisitions, easements, education, and partnerships
2. Provide education, mediation and regulatory programs to enhance user opportunities and experiences
3. Seek ways to bring sustainable funding for outdoor recreation into alignment with demand

Provide Outdoor Recreation Leadership—

1. Assume a leadership role in seeking partnerships with other agencies, NGOs and the private sector to enhance outdoor recreation
2. Improve communication with the public and partners about outdoor recreation opportunities and issues

IDAHO STATE BUDGET PROCESS



Department of Parks and Recreation

Agency Profile

Selected Measures

| By Fiscal Year | FY 2003 Act | FY 2004 Act | FY 2005 Act | FY 2006 Act |
|--|--------------|--------------|--------------|----------------------------|
| 1. State Park Visitation | | | | |
| Total resident visitors | 1,615,845 | 1,632,541 | 1,533,375 | 1,747,275 |
| Total non-resident visitors | 966,130 | 856,078 | 824,298 | 901,024 |
| ^{a)} Total visitation | 2,581,975 | 2,488,619 | 2,357,673 | 2,648,299 |
| Percent increase/decrease | N/A | -3.6% | -5.3% | 12.3% |
| Number of Annual Passes sold | 9,340 | 16,980 | 19,515 | ^{b)} 21,000 |
| 2. Recreational users by registration type | | | | |
| Number of boats registered in Idaho | 83,500 | 83,500 | 84,601 | 85,963 |
| Snowmobiles registered in Idaho | 48,300 | 54,000 | 48,958 | 48,471 |
| Number of ATV's registered in Idaho | 56,500 | 62,000 | 66,160 | 72,889 |
| Number of motorbikes registered in Idaho | 25,400 | 27,000 | 28,862 | 31,470 |
| Recreational vehicles registered in Idaho | 86,751 | 88,406 | 89,118 | 94,600 |
| Cross country skiers registered in Idaho | 1,500 | 1,900 | 1,530 | 1,281 |
| 3. State Park Self-support Index | | | | |
| Base on-going costs of park operations | \$7,212,533 | \$7,595,518 | \$8,304,522 | \$8,437,457 |
| Revenues generated by state parks | \$5,199,153 | \$5,198,801 | \$5,367,882 | \$5,137,466 |
| ^{e)} Less one-time Revenue | \$130,600 | \$26,297 | \$53,400 | \$20,609 |
| Adjusted Revenues generated by state parks | \$5,068,553 | \$5,172,504 | \$5,314,482 | \$5,116,857 |
| Self-support Index | 72.1% | 68.4% | 64.6% | 60.9% |
| 4. Recreational Grants to public agencies through advisory committees | | | | |
| Recreational Vehicle grant amounts | \$3,533,385 | \$3,000,000 | \$3,144,178 | \$4,000,000 |
| Waterways Improvement Fund grants | \$927,000 | \$883,000 | \$1,232,925 | \$1,318,700 |
| Trails Program grants | \$1,186,118 | \$1,450,100 | \$1,561,164 | \$1,457,650 |
| County Vessel Fund grant amounts | \$2,300,000 | \$2,500,000 | \$1,644,381 | \$1,615,790 |
| County marine law enforcement grants | \$350,000 | \$400,000 | \$374,573 | \$339,250 |
| Park 'n Ski program grants | \$24,000 | \$11,000 | \$10,980 | \$2,315 |
| 5. Park Land and Facilities | | | | |
| Number of state parks | 29 | 30 | 30 | 30 |
| Number of acres in the parks system | 58,172 | 58,172 | 58,172 | 58,172 |
| Number of structures maintained | 525 | 525 | 525 | 525 |
| Annual repair & maint. investment | \$2,964,600 | \$2,571,500 | \$3,937,100 | \$6,512,857 |
| Backlog in repairs & maintenance | \$24,000,000 | \$28,000,000 | | |
| Existing Infrastructure Needs | | | \$20,768,000 | ^{d)} \$15,000,000 |
| ^{c)} New Infrastructure Needs | | | \$34,940,200 | ^{d)} \$30,000,000 |

^{a)} Prior calendar year data

^{b)} Estimate, data not available

^{c)} Change in Reporting Methodology

^{d)} FY 2006 Infrastructure Needs are estimates

^{e)} Timber Sales

Parks and Recreation Issues and Information

State Park Self-Support Index

| <i>State Park</i> | ¹ FY 2007 Base Budget | ² FY 2006 Park Receipts | Self Support Percent | Total Visitation CY 2005 |
|---------------------------------------|--|--|----------------------------|--------------------------------|
| Ashton/Tetonia | \$27,419 | | NA | |
| Bear Lake | 259,131 | 73,576 | 28.4% | 44,616 |
| Bruneau Dunes | 349,917 | 159,371 | 45.5% | 80,863 |
| Castle Rocks | 122,206 | 16,229 | 13.3% | 2,455 |
| CD'A Lake Parkway | 71,412 | 18,393 | 25.8% | 229,643 |
| ³ City of Rocks | 628,778 | 438,986 | 69.8% | 51,239 |
| Dworshak | 370,062 | 206,452 | 55.8% | 43,185 |
| Eagle Island | 183,026 | 103,180 | 56.4% | 71,839 |
| Farragut | 647,492 | 504,650 | 77.9% | 149,210 |
| ⁶ Glade Creek | 12,294 | | NA | |
| Harriman | 339,181 | 186,667 | 55.0% | 71,579 |
| Hells Gate | 471,336 | 438,300 | 93.0% | 94,225 |
| Henrys Lake | 116,477 | 16,649 | 14.3% | 18,103 |
| Heyburn | 624,307 | 657,195 | 105.3% | 249,287 |
| ³ Lake Cascade | 307,482 | 332,131 | 108.0% | 45,126 |
| Land of The Yankee Fork | 257,956 | 25,747 | 10.0% | 32,787 |
| ⁴ Lucky Peak | 474,085 | 402,283 | 84.9% | 331,003 |
| Massacre Rocks | 200,211 | 75,966 | 37.9% | 36,328 |
| Mc Croskey | 145,544 | 80,469 | 55.3% | 12,208 |
| Mesa Falls | 34,985 | 16,365 | 46.8% | 73,843 |
| Old Mission | 241,182 | 39,368 | 16.3% | 99,657 |
| Ponderosa & Lakeview | 697,169 | 323,142 | 46.4% | 189,964 |
| Priest Lake | 570,383 | 418,019 | 73.3% | 15,566 |
| Round Lake | 200,441 | 87,172 | 43.5% | 54,514 |
| ⁵ Thousand Springs Complex | 214,619 | 57,654 | 26.9% | 103,860 |
| Three Island | 368,752 | 207,078 | 56.2% | 18,773 |
| Trail of the Coeur d'Alenes | 120,488 | 4,317 | 3.6% | 81,809 |
| ³ Walcott | 174,851 | 144,179 | 82.5% | 23,572 |
| Winchester | 206,271 | 103,909 | 50.4% | 40,915 |
| Total | \$8,437,457 | \$5,137,446 | 60.9% | 2,266,169 |

¹ Does not include allocations for capital outlay

² Includes all funds except Donations fund 0496.01, source DAFR 8310 (6)(4)(0)

³ Includes ongoing federal partnership agreements

⁴ Includes Lucky Peak, Spring Shores, Sandy Point and Barber Pool

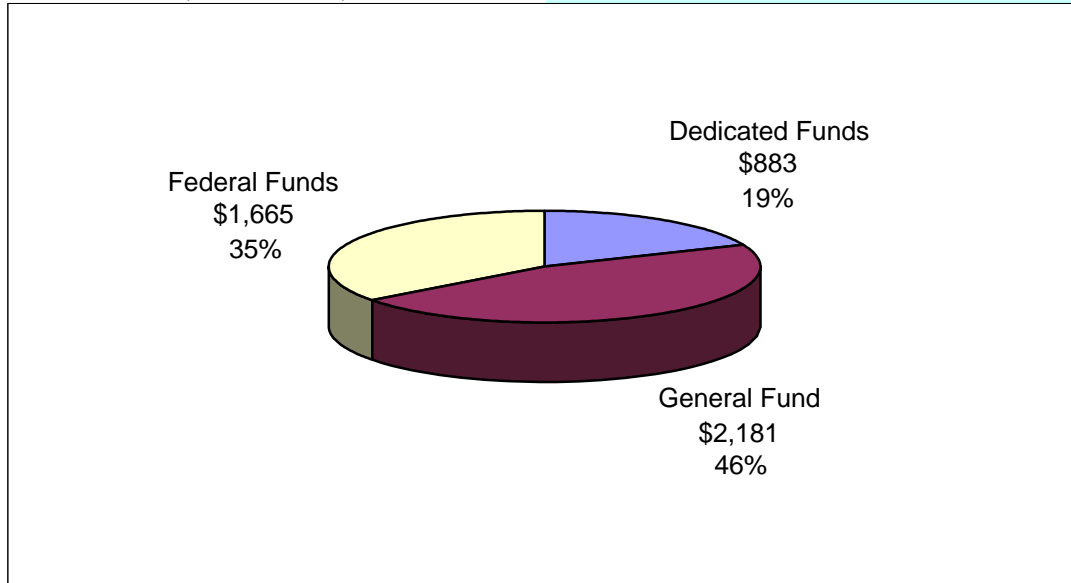
⁵ Includes Malad Gorge, Niagra Springs, Box Canyon, and Billingsley Creek

⁶New Site

FY 2006 All Appropriations by Fund Function

"Where the money comes from..."

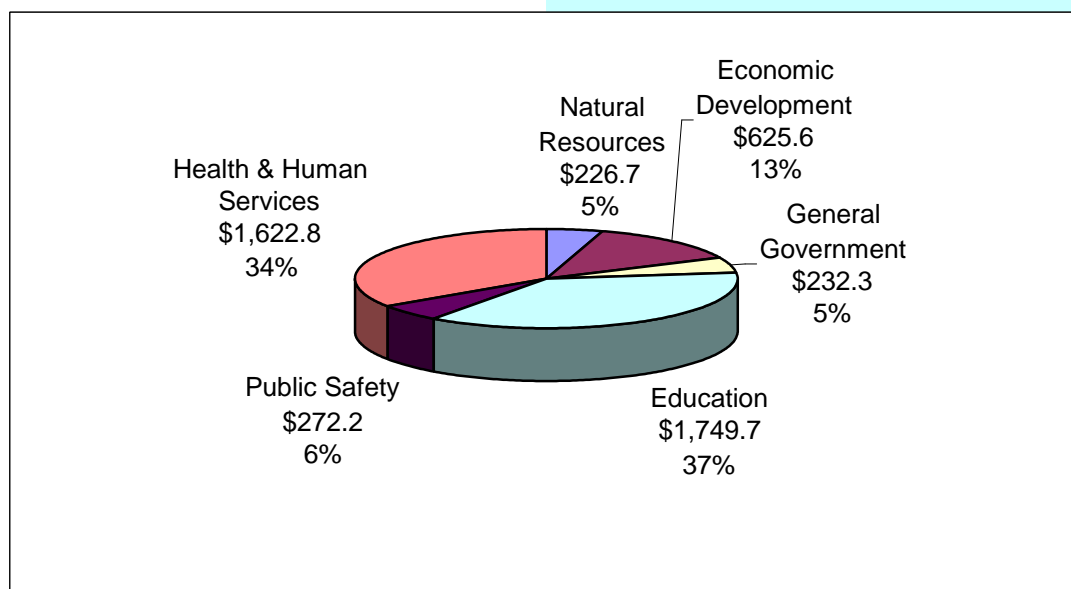
Dollars in Millions (Percent of Total)



Appropriations by Fund = \$4,729.3

"Where the money goes..."

Dollars in Millions (Percent of Total)



Appropriations by Fund = \$4,729.3

Department of Parks and Recreation

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|--------------------------------------|--------|-----------|------------|-----------|------------|
| FY2007 Original Appropriation | 160.25 | 7,144,300 | 52,195,600 | 4,098,500 | 63,438,400 |

The Department has two-year spending authority for construction projects.

Reappropriations

| | | | | | |
|-----------------------------------|--------|-----------|------------|-----------|------------|
| FY2007 Total Appropriation | | | | | |
| Agency Request | 160.25 | 7,144,300 | 52,195,600 | 4,098,500 | 63,438,400 |

| | | | | | |
|--|--------|-----------|------------|-----------|------------|
| FY2007 Total Estimated Expenditures | | | | | |
| Agency Request | 160.25 | 7,144,300 | 52,195,600 | 4,098,500 | 63,438,400 |

| | | | | | |
|----------------------------------|--|---------|--------------|-----------|--------------|
| Transfer between Programs | | - | - | - | - |
| Fund Shift | | 82,600 | (67,600) | (15,000) | - |
| Removal of One-time Expenditures | | - | (34,191,300) | (790,000) | (34,981,300) |
| Base Reductions | | - | (40,000) | - | (40,000) |
| Insurance Premium Adjustment | | 132,400 | 72,800 | (2,100) | 203,100 |

| | | | | | |
|--------------------|--------|-----------|------------|-----------|------------|
| FY2008 Base | | | | | |
| Agency Request | 160.25 | 7,359,300 | 17,969,500 | 3,291,400 | 28,620,200 |

| | | | | | |
|--|--|-----------|---------|--------|-----------|
| Inflationary Adjustments | | 21,200 | 80,900 | 6,600 | 108,700 |
| Equipment Replacement | | 9,500 | 834,500 | 48,000 | 892,000 |
| Computer Software Replacement | | 85,000 | - | - | 85,000 |
| Computer Hardware Replacement | | 154,000 | - | - | 154,000 |
| Park Infrastructure Repair & Equipment Replacement | | 168,900 | 235,300 | 6,300 | 410,500 |
| Vehicle Replacement | | 292,600 | 292,600 | - | 585,200 |
| Health & Safety Issues Capital Projects | | 3,205,000 | 336,000 | - | 3,541,000 |
| Preventive Maintenance Capital Projects | | 76,600 | 486,000 | - | 562,600 |
| Environment Related Capital Projects | | 1,412,300 | 256,000 | - | 1,668,300 |
| Salary Multiplier | | 198,022 | 137,123 | 32,979 | 368,124 |

| | | | | | |
|-----------------------------------|--------|------------|------------|-----------|------------|
| FY2008 Program Maintenance | | | | | |
| Agency Request | 160.25 | 12,982,422 | 20,627,923 | 3,385,279 | 36,995,624 |

Line Items

| | | | | | |
|--|------|---------|---|---|---------|
| 1. Increase Minimum Wage of Seasonal Staff - Seasonal salary increases required to provide more options for parks to be competitive within their local markets for available manpower. | | 120,000 | - | - | 120,000 |
| 2. Safety Program - The IDPR hires approximate 270 seasonal staff each summer to mow, clean restrooms, collect park fees, operate park stores, assist with park maintenance projects and enforce park rules. Because of the seasonal nature of the work, the type of work, and low hourly wage, over 50% of the seasonal staff are young and not experienced to run the equipment necessary to perform the job tasks assigned. As a result, the agency's Workers Compensation Rate is the 5th highest in the state at .036. The goal is to have this position be "self funded" by reducing the agency's Worker's Compensation Rate through education that promotes safe practices and safe working conditions. The goal is to prevent personal injury and loss time, ensure compliance with life safety codes and regulations, and provide safety training for staff. The Program Manager would also assist with other agency training needs, such as First Aid, chain saw operation, compliance enforcement training, etc. The rate would only need to be reduced by 0.8% to be self funded. | 1.00 | 57,000 | - | - | 57,000 |

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|--|------|---------|-----------|---------|---------|
| Agency Request | | | | | |
| 3. Land of Yankee Fork/Bayhorse Park Ranger - The new recreational opportunities envisioned in conjunction with the Bayhorse acquisition will require additional staff operating out of the Land of the Yankee Fork. This person will assist in the day-to-day operations, maintenance, tours and interpretive programs, security and safety of the natural resources. The Bayhorse recreational opportunities lend themselves to furthering our partnerships with the U.S. Forest Service and Bureau of Land Management. | 1.00 | 38,000 | 38,000 | - | 76,000 |
| 4. Marketing & Communication with Public - Seasonal staff assistance within the Communication Program will allow the program to expand services, increase media related correspondence, organize universal agency marketing strategies, provide more quality assistance with agency sponsored events and allow time to implement proactive solutions to the ever-increasing demands for agency related information. | | 42,700 | - | - | 42,700 |
| 5. Thousand Springs/Billingsley Creek Park Ranger - The IDPR acquired the Billingsley Creek Unit without the necessary funding for a ranger to assist with daily operations, perform maintenance, and help provide needed visitor services at this valuable site. Additionally, this position would coordinate daily operations and provide maintenance, security, compliance enforcement, interpretation, supervision of seasonal staff, and general visitor services. | 1.00 | 42,900 | - | - | 42,900 |
| 6. FY2007 Carryover issues - Assistant Manager Lake Cascade, 50% of one FTP General Fund Request and FTP request for City of Rocks Resource Specialist that was funded in FY2007. IDPR has cooperative agreements with the Bureau of Reclamation and National Park Service respectively that outlines reimbursement. In the FY2007 budget, the federal portion of the Cascade Assistant Manager position was funded but not the state's responsibility of the other 50% was not. The City of Rocks National Reserve Cultural Specialties Position was funded with federal money but the agency needs an additional FTP in order to fill the position. | 2.00 | 28,100 | - | - | 28,100 |
| 7. Development of New Camping & Day-Use Facilities - This request provides camping and trail use opportunities in northern Idaho, as well as picnicking and swimming opportunities in south central Idaho. | | 500,000 | 250,000 | - | 750,000 |
| 8. Park Housing - Year-round, staff presence twenty-four hours/seven days per week in state parks is a deterrent to vandalism and saves lives. Traditional housing in remote areas is often unavailable to park managers and rangers because of scarcity of housing or the high cost of living in the area. This DU s for housing in 4 state parks where housing currently does not exist. | | 700,000 | - | - | 700,000 |

| Budget by Decision Unit | FTP | General | Dedicated | Federal | Total |
|--|--------|------------|------------|-----------|------------|
| Agency Request | | | | | |
| 9. Staff Housing in Resort Communities - The escalating cost of living in destination-resort communities makes it difficult, if not impossible, for resource management staff to find housing. This DU is for housing in partnership that could be utilized by state park staff, as well as with staff of the Idaho Department of Lands and the Idaho Department of Fish and Game. | | 1,000,000 | - | - | 1,000,000 |
| 10. Natural Resource Management & Equipment Needs - Implement natural resource plans to address noxious weeds, eurasian milfoil; hazard tree, and fuel reduction to maintain forest health. Also, purchase equipment to use in forest health management, for non motorized trail maintenance, and for staff to use for public safety and enforcement in state parks. | | 63,500 | 223,500 | - | 287,000 |
| 11. 2008 World Masters Nordic Ski Race - The City of McCall won the bid to host the Master's race in 2008 which will bring 1,000 of the world's top Masters Nordic racers to McCall for a week long series of races. The race will be held at Ponderosa State Park and it is estimated that over 3,000 people will be in town over the week in conjunction with the races. Economic impact to the local economy is estimated at \$2.4 million. This is a one time request for supplies, cross country ski equipment and event specialty items, and per diem for staff to support the event. | | 204,500 | - | - | 204,500 |
| 12. Planning - This request provides master planning and conceptual design for 2 Idaho State Parks. | | 350,000 | - | - | 350,000 |
| 13. Field Support for Information Technology - In lieu of an FTP, additional support staff to engage in service and repair activity (including software loads and security patch updates) at IDPR field, Region, and Headquarters locations. | | 68,400 | - | - | 68,400 |
| 14. Office & Contract Help at Full Season Parks - Priest Lake (.25 FTP), Ponderosa (1 FTP) Office Specialist and Harriman, cleaning services contract. State parks continue to experience increased visitation on a year around basis, add camp sites and amenities, special events, and interpretive programs. All of which require scheduling with the public, special use groups, and internal IDPR staff. This DU facilities good customer service and efficient business practices at the parks. | 2.25 | - | 91,300 | - | 91,300 |
| 15. Recreation Program Support & Equipment - With the explosion in Idaho's population, there has been an associated increase in recreational activities. For example there are currently over 83,000 registered boats in the state, with an increase of about 2% a year. Additionally, the number of registered boats in the state, with an increase of about 2% a year. Additionally, the number of registered OHVs has continued to grow at a rate of approximately 15% annually. These additions to current operations will allow staff to meet the needs of this growing demand. | | - | 208,500 | 167,500 | 376,000 |
| 16. Implementation of Experience Idaho Committee Recommendations - Funds the recommendations of the Eagle Island State Park Planning Committee and the East Idaho State Park Site Selection Committee. Includes the ability to begin development of outdoor recreation facilities at Eagle Island State Park. | | 5,500,000 | - | - | 5,500,000 |
| FY2008 Budget Request | | | | | |
| Agency Request | 167.50 | 21,697,522 | 21,439,223 | 3,552,779 | 46,689,524 |

Health and Safety Issues

| | |
|--------------|-------------|
| General Fund | \$3,205,000 |
| Dedicated | 336,000 |

Bruneau Dunes – Replace and upgrade plumbing, lights, and shower fixtures.

Henrys Lake – Extend ramp for low water years, dredge problem spot near ramp and identify an engineering solution for the cause of the silting in.

Thousand Springs – Current water source (Florence Livestock Spring) is open to the public and needs to be secured. This spring provides drinking water to the manager's residence and host site.

Statewide – Assess the condition of all state park septic systems in order to determine immediate maintenance needs and place all septic systems on a cyclic maintenance program.

Farragut – Install vault toilet at the main parking for the disc golf courses. Only sanitation in the area are the flush toilets at Locust Grove, which are only open in the summer.

Dworshak – Modify two ADA showers (shower heads, seats and grab bars), widen toilet stalls and install risers on toilets and repair sinking cement slabs on threshold.

Lucky Peak – Replace aging launch docks. Ada County Parks and Waterways would be willing to provide a labor match toward waterways grant.

Eagle Island – Evaluate and inspect water slide pumping, filtration, and chlorination system.

Round Lake – In order to attract and maintain critical volunteer help, upgrade four volunteer sites to full hookup sites.

Priest Lake – Current hazmat/fuel building has a standard peak roof, single wall structure with above ground storage tanks. It is currently being used as is and needs replacement with a concrete hazmat building with elevated fuel tanks.

Old Mission – Irrigation/fire suppression pond needs improvements and repair to intake for fire/irrigation.

Priest Lake – Replace Hookup Sites Electrical Service. Service panel, wiring and campsite pedestals installed in late 1960's do not meet code, are insufficient for the load placed by today's RV's (20 amp service), main panel is obsolete, service needs to be brought up to 50 amp, modern approved pedestals, w/GF outlets or breakers.

Health and Safety Issues Continued

Dworshak – Vault toilet for group Loop C. The chemical toilet now used is insufficient that results in the overuse of hookup loop toilets.

Massacre Rocks – Replace existing septic system at the Upper Loop Restroom to meet current standards. Built in the 70's.

Massacre Rocks – Replace existing septic system at the Lower Loop Restroom to meet current standards. Built in the 70's.

Massacre Rocks – Replace existing septic system at Visitor's Center to meet current standards. Built in the 70's.

Ashton-Tetonia – Replace missing bridge handrails to complete trail.

Priest Lake – Campground Utility Building refurbishment. All interior piping (particularly copper) should be replaced. All shower fixtures need to be replaced with more modern assemblies and standardized, water heater & holding tank replaced with mixer type water heating unit (on-demand unit might be effective), some fixtures such as urinals, sinks and toilets need to be replaced, light fixtures need to be replaced (energy efficient units) throughout the building, reroof building, install tile in shower stalls.

Yankee Fork – Well, potable water and irrigation upgrades. Replace the well pump, install flow meters and reconfigure irrigation system. Project will also involve procuring additional water rights.

Three Island – Restroom remodel. Building is 35 years old, not ADA accessible and parts are not available.

Ponderosa – Upgrade water system to residence shop area.

Old Mission – We have been renting portable toilets for the upper area for several years. One toilet stays here year round for winter use and park staff. A more permanent solution of a CXT would be desirable.

Farragut – Phase two of implementation of a centralized septic system for the park.

Heyburn – Continued rehabilitation of infrastructure. This includes water systems, septic, trails, roads and other utilities in preparation for 100th year anniversary.

Preventive Maintenance

| | |
|-----------------|----------|
| General Fund | \$76,600 |
| Dedicated Funds | 486,000 |

Road and Bridge – Repair and/or replace existing roads, bridges and parking areas.

Old Mission – Scrap and repaint the exterior of the mission church.

Farragut – Repair and replace breakwater at Eagle boat ramp which is at to the point of permanent failure. Ramp facility is major feature for the park from April to December, and is one of the top five busiest in the state.

Massacre Rocks – Rebuild and fireproof pump house. Meet Department of Environmental Quality rules, fire proof, and enlarge for expansions. Built in the 70's.

Eagle Island – Effluent Pump is causing high electrical consumptions; problems with floats and alarm. Alarm doesn't work, poorly placed alarm light.

Lucky Peak – Replace roofs on picnic shelters, as their condition is currently very poor.

Henrys Lake – Retrofit fish cleaning station/composting toilet with solar heater so it will function appropriately in the climate at Henry's Lake.

Lucky Peak – Replace buoy line anchoring platforms. These are key structures that anchor the perimeter buoy surrounding the marina. The current wooden platforms are in bad shape.

Hells Gate – Replace shake roof with another roofing material, possibly metal, such as on the marina building. Current roof is 23 years old. Includes Large Shelter in day use which has rotten and leaking.

Farragut – Nighthawk Shelter needs reroofed, plus check/replace structural beams and joists. Restain and repaint.

Ponderosa – Repair maintenance building metal building west of shop. Replace sagging roof and deteriorating walls. Possible replace purloins and metal skins.

Environment Related Projects

| | |
|-----------------|-------------|
| General Fund | \$1,412,300 |
| Dedicated Funds | 256,000 |

Thousand Springs – Repair dike at Fisher Lake.

Lucky Peak – Replenish and till beach sand.

Lucky Peak – Install floating breakwater to protect moorage, gas dock and shoreline.

Dworshak – Wave attenuation system to protect marina boats and facilities from damage during wind events. This area is jointly managed by Corp of Engineers and IDPR.

Lake Cascade – Van Wick Campground construction- concept and design funded in 2006, need to renovate dispersed campground with day use, restrooms, etc.

LOYF – Bayhorse- Stabilize buildings and tailings along with vault toilets and renovate housing for onsite security presence.

Line Items

7. Development of New Camping & Day Use Facilities

| | |
|-----------------|-----------|
| General Fund | \$500,000 |
| Dedicated Funds | 250,000 |

McCroskey – Develop new campground and trailhead with water, toilets, etc.
Site location to provide great views, good trail access, and be centrally located in the park.

Thousand Springs – Develop the Vardis Fisher Day Use area to include turning the lake into a swimming lake and having a shelter and picnic area near the soon-to-be U of I research unit next door.

8. Park Housing

| | |
|--------------|-----------|
| General Fund | \$700,000 |
|--------------|-----------|

New staff housing at Castle Rocks, Heyburn, Lake Walcott, and Dworshak.

9. Staff Housing in Resort Communities

| | |
|--------------|-------------|
| General Fund | \$1,000,000 |
|--------------|-------------|

Construct seasonal housing for staff in resort communities such as McCall, Cascade, and Sandpoint. The IDPR relies on a seasonal work force to maintain basic service to the public and housing is expensive or not available in some areas. Partner with other state agencies, where feasible.

12. Planning

| | |
|--------------|-----------|
| General Fund | \$350,000 |
|--------------|-----------|

Bayhorse – Master Plan for Land of Yankee Fork to include Bayhorse.

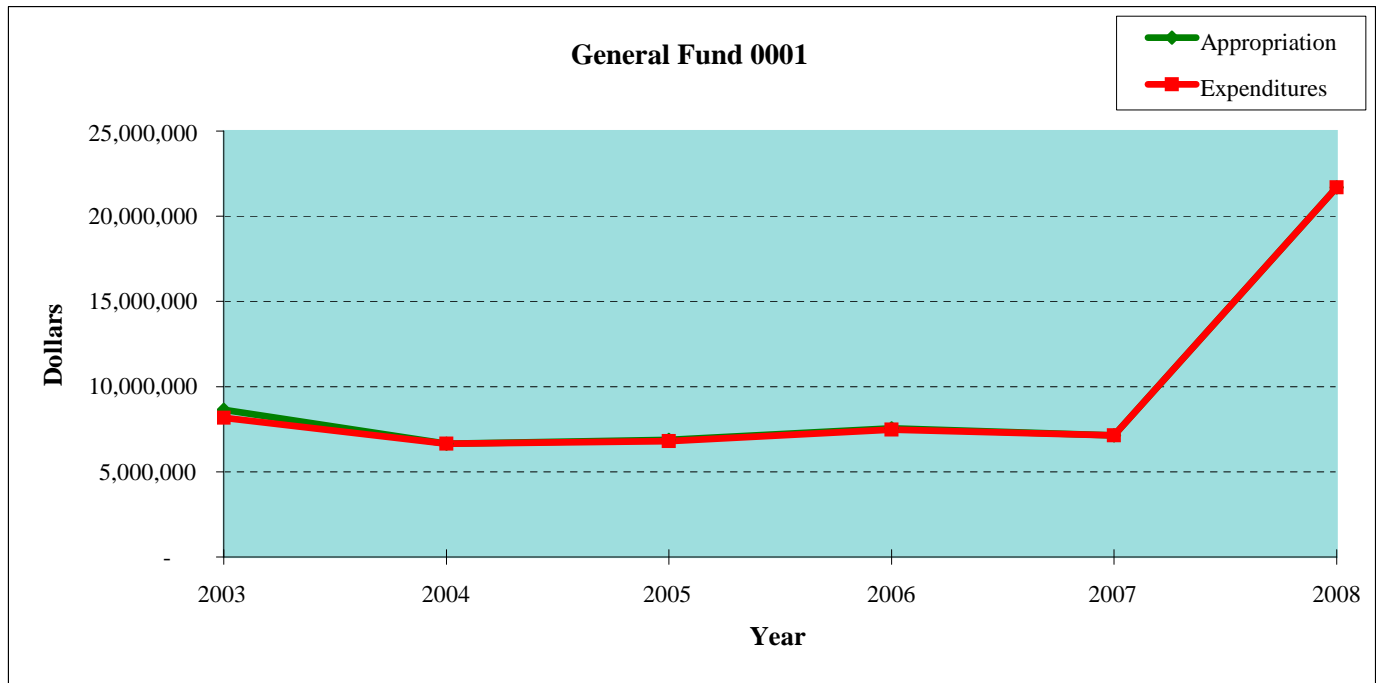
Ponderosa – Conceptual Design for Kokanee Cove.

FUND REVENUE & EXPENDITURE HISTORY **GENERAL FUND 0001**

This is a General Fund appropriation used to pay personnel costs, operating expenses, and capital outlay for the general operation of the Department.

| | 2003 Actual | 2004 Actual | 2005 ¹ Actual | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|----------------------------|----------------|----------------|-----------------------------|----------------|-----------------|-----------------|---------------------------|
| ¹ Appropriation | 8,633,009 | 6,642,500 | 6,868,900 | 7,549,800 | 7,144,300 | 21,697,522 | DAFR 8011, Appropriations |
| Expenditures | 8,172,832 | 6,639,780 | 6,793,715 | 7,474,684 | 7,144,300 | 21,697,522 | Bills |
| APPROP % Change | | -23.06% | 3.41% | 9.91% | -5.37% | 203.70% | DAFR 8290 |

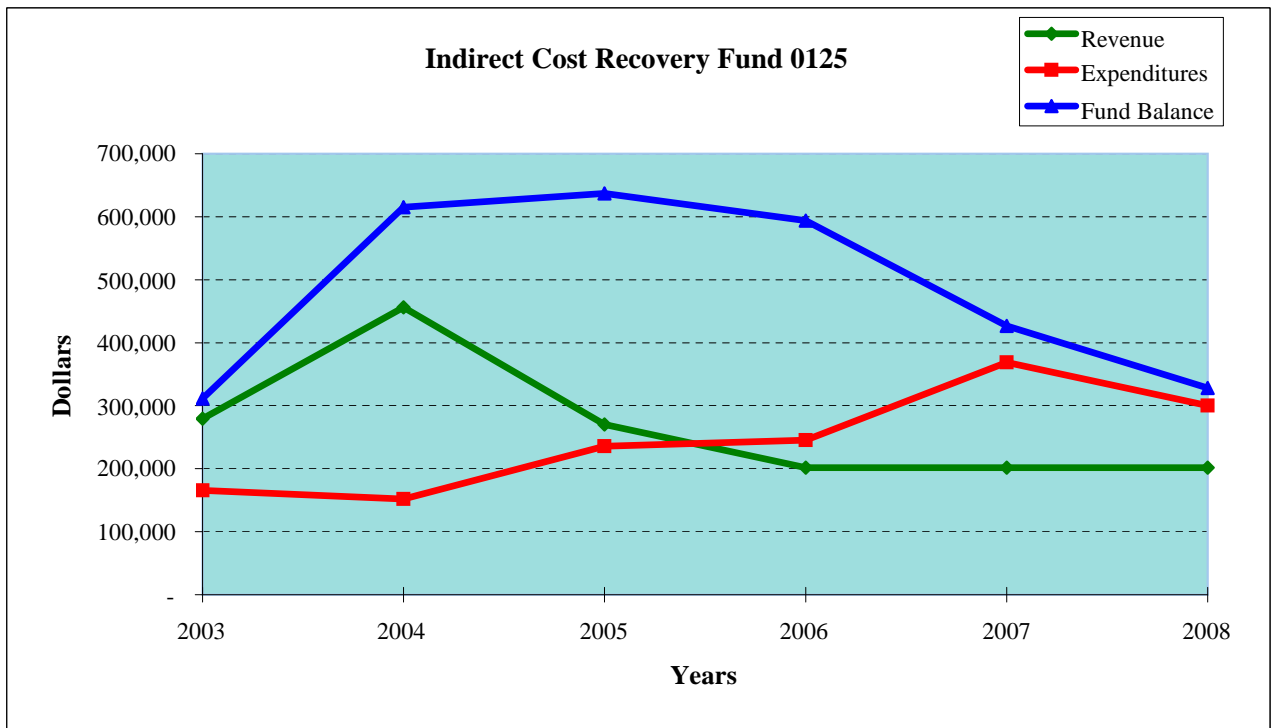
¹ 2004 The following payments historically in the agency's base were transferred to the Department of Administration, Public Works Budget, Headquarters Building \$300,000, Billingsley Creek \$400,000, and Ponderosa \$1,000,000



FUND REVENUE & EXPENDITURE HISTORY **INDIRECT COST RECOVERY FUND 0125**

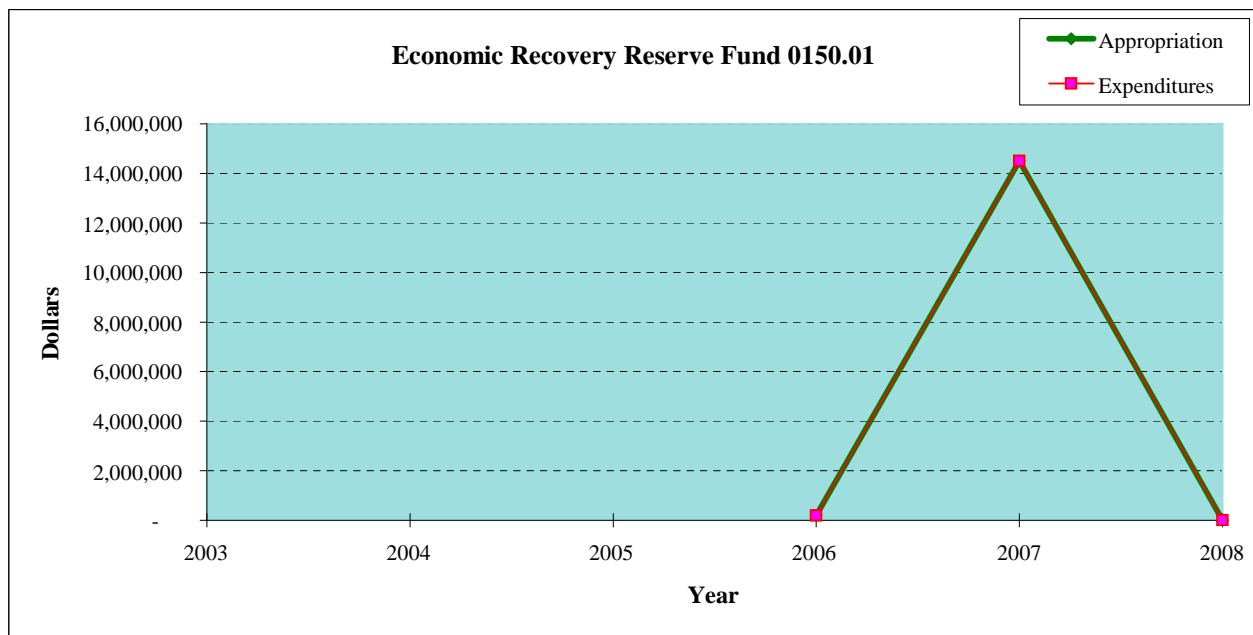
This fund is used to deposit funds recovered from indirect costs charged Federal agencies for administering Federal grants and programs. The money is used to pay indirect expenses to administer those programs.

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|--------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|
| Revenue | 279,609 | 455,931 | 270,473 | 201,908 | 201,908 | 201,908 | DAFR 8160 |
| Expenditures | 165,411 | 151,907 | 235,564 | 245,473 | 369,000 | 300,151 | DAFR 8290 |
| Fund Balance | 311,266 | 615,290 | 637,200 | 593,617 | 426,525 | 328,281 | DAFR 8160 |
| REV % Change | | 63.06% | -40.68% | -25.35% | 0.00% | 0.00% | |



FUND REVENUE & EXPENDITURE HISTORY
ECONOMIC RECOVERY RESERVE FUND 0150.01

| | 2003 Actual | 2004 Actual | 2005 ¹ Actual | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|----------------------------|----------------|----------------|-----------------------------|----------------|-----------------|-----------------|---------------------------|
| ¹ Appropriation | | | | 189,367 | 14,499,800 | - | DAFR 8011, Appropriations |
| Expenditures | | | | 189,367 | 14,499,800 | - | Bills |
| APPROP % Change | | | | | 7556.98% | -100.00% | DAFR 8290 |

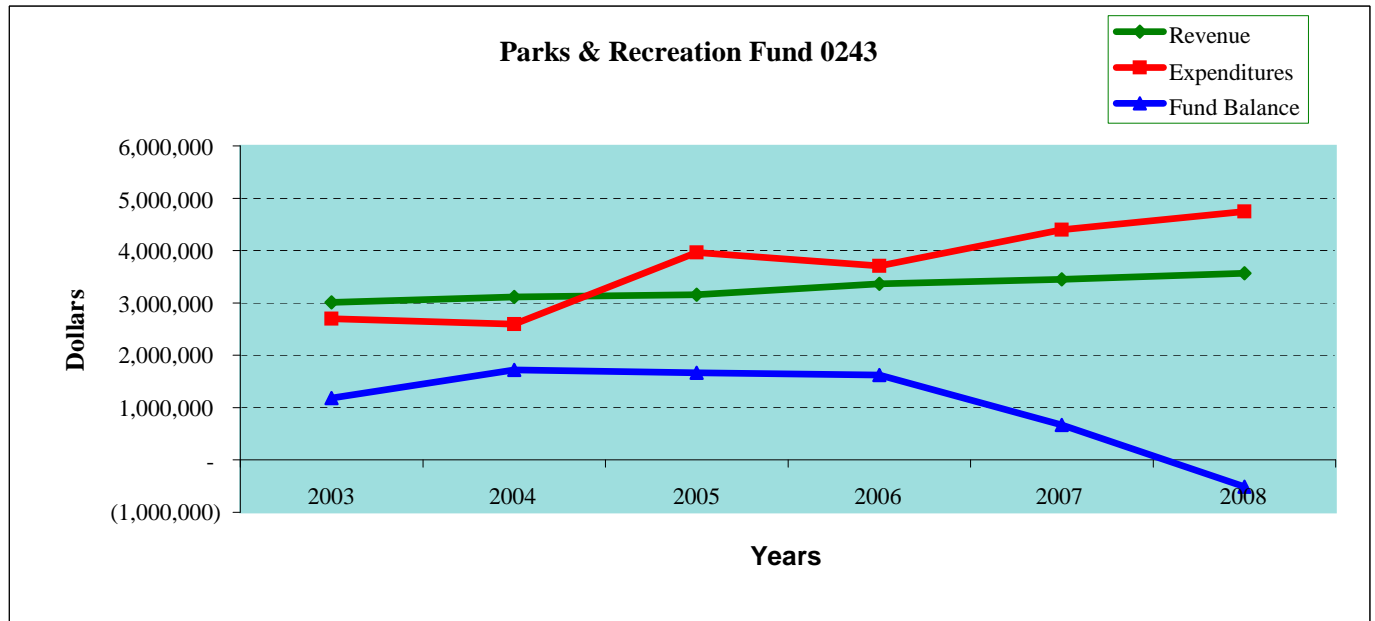


FUND REVENUE & EXPENDITURE HISTORY **PARKS AND RECREATION FUND 0243**

This fund is used for personnel, operating, and capital outlay expenditures for the administration and operation of the Department. Funds are derived from day use fees, campground fees, leases, concessions, and other miscellaneous sources. (IDAHO CODE 67-4225)

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 ¹ Actual | 2007 Approp. | 2008 Request | Source of data |
|---------------------------|----------------|----------------|----------------|-----------------------------|-----------------|-----------------|----------------|
| Revenue | 3,008,633 | 3,115,276 | 3,156,162 | 3,365,936 | 3,450,000 | 3,567,200 | DAFR 8160 |
| ² Expenditures | 2,699,565 | 2,593,339 | 3,962,552 | 3,706,879 | 4,398,685 | 4,748,618 | DAFR 8290 |
| ¹ Fund Balance | 1,184,343 | 1,719,519 | 1,664,248 | 1,620,486 | 671,801 | (509,617) | DAFR 8160 |
| REV % Change | | 3.54% | 1.31% | 6.65% | 2.50% | 3.40% | |

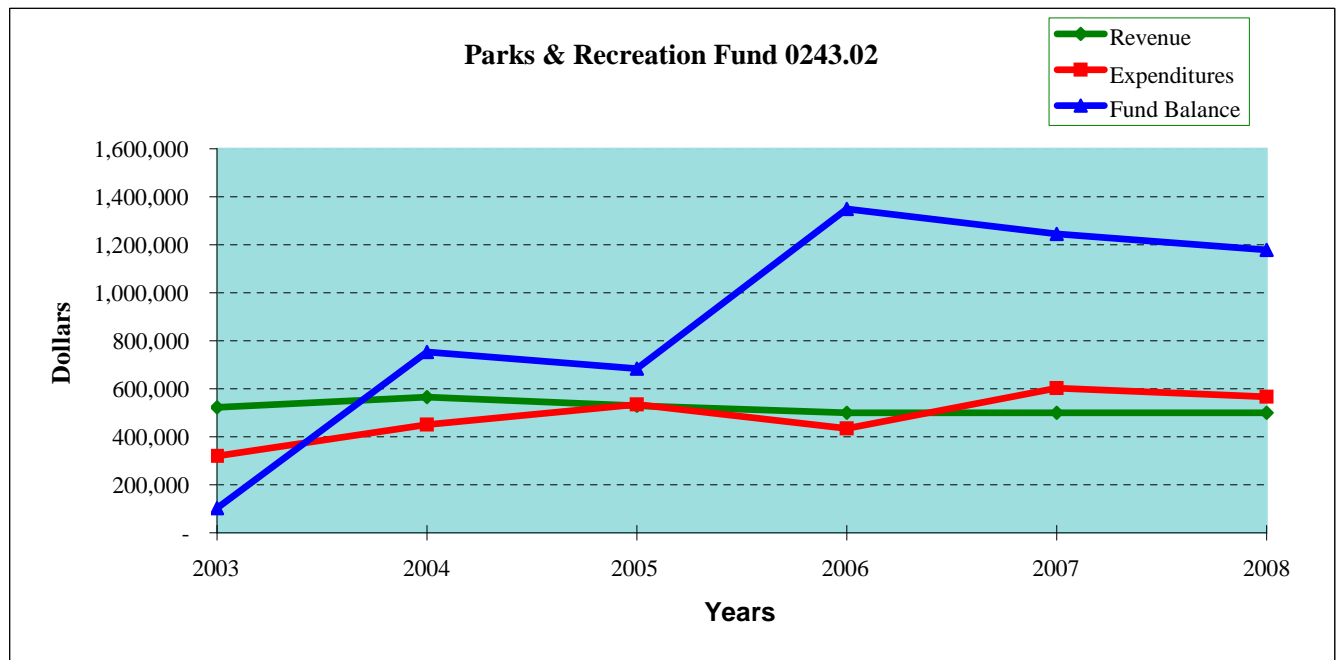
¹Fund Balance decreased by Encumbrances & Reappropriated Project Budgets (FY2006: \$202,150 and \$191,100 respectively)



**FUND REVENUE & EXPENDITURE HISTORY
PARKS AND RECREATION FUND 0243.02**

Revenue includes vendor fees, the 15% administration fee for processing IDPR Motor Vehicle Entry Fee - Annual Pass sales, and the 15% administrative fee for processing boat, snowmobile, and Park 'N' Ski stickers

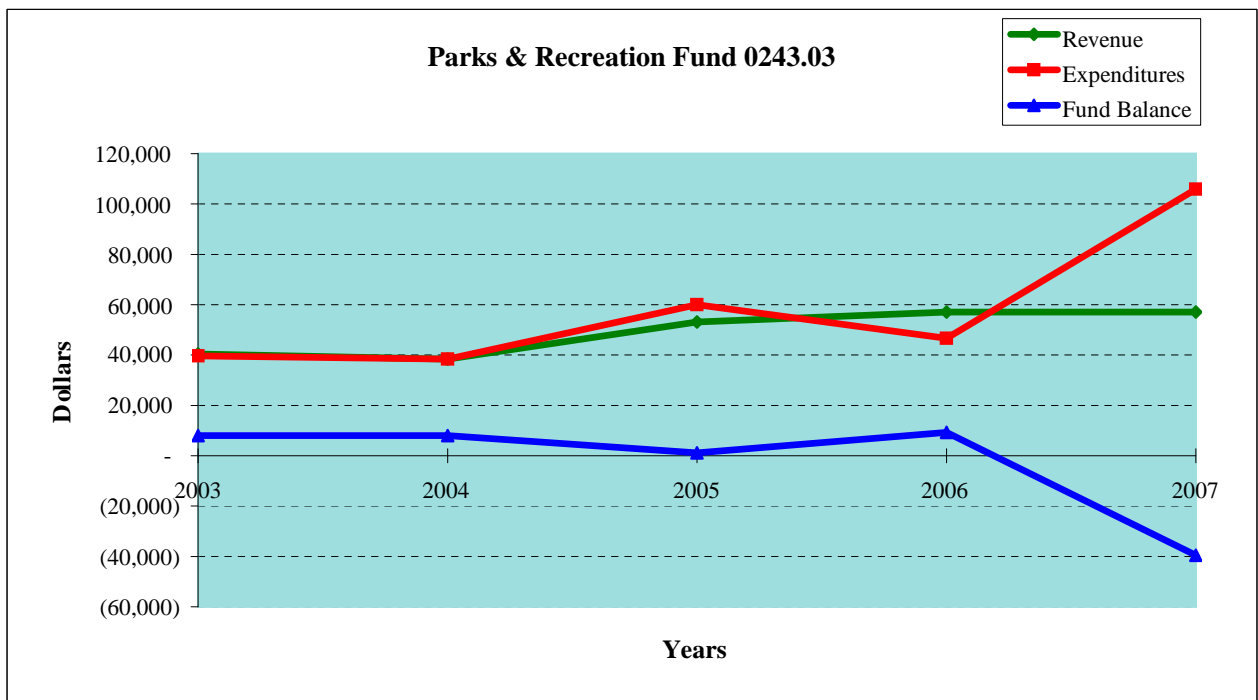
| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|---------------------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|
| Revenue | 522,459 | 565,185 | 528,991 | 499,587 | 499,587 | 499,587 | DAFR 8160 |
| Expenditures | 319,473 | 450,291 | 534,948 | 435,025 | 602,960 | 566,437 | DAFR 8290 |
| ¹ Fund Balance | 102,445 | 752,906 | 683,546 | 1,348,746 | 1,245,373 | 1,178,524 | DAFR 8160 |
| REV % Change | | 8.18% | -6.40% | -5.56% | 0.00% | 0.00% | |



**FUND REVENUE & EXPENDITURE HISTORY
SAWTOOTH LICENSE PLATE FUNDS 0243.03**

This fund is used to deposit funds transferred from the
Idaho Transportation Department to the Sawtooth Society.

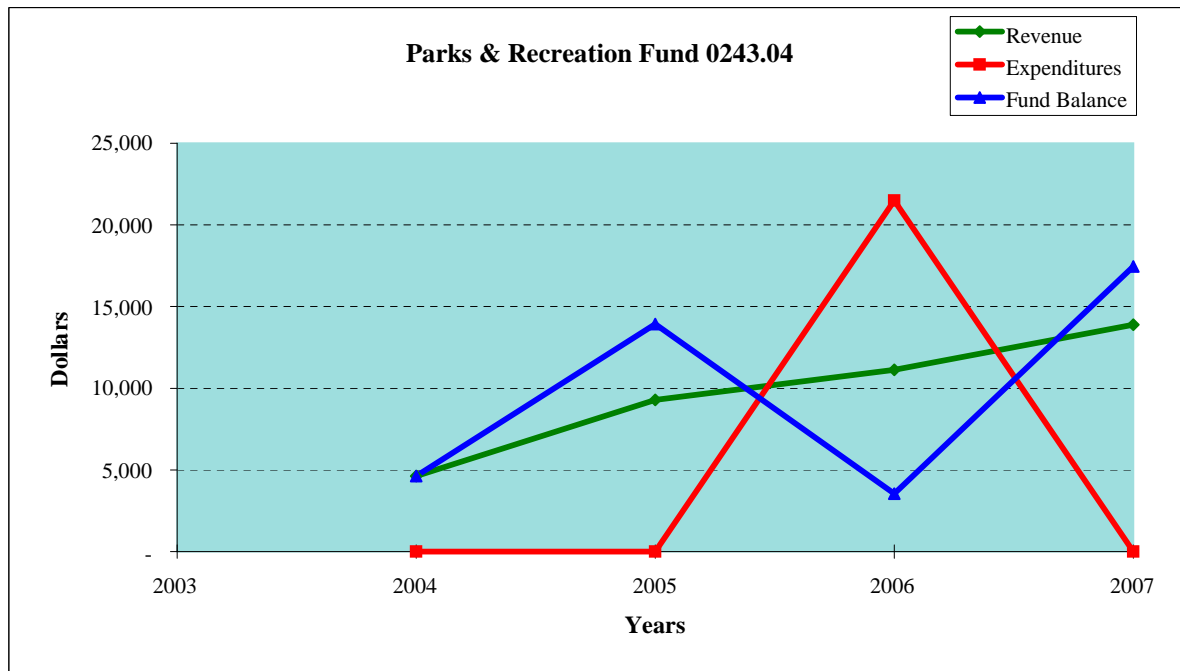
| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | <i>Source of data</i> |
|--------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|-----------------------|
| Revenue | 40,423 | 38,429 | 53,081 | 57,086 | 57,086 | 60,000 | <i>DAFR 8160</i> |
| Expenditures | 39,721 | 38,399 | 60,000 | 46,682 | 105,855 | 60,000 | <i>DAFR 8290</i> |
| Fund Balance | 7,996 | 8,026 | 1,107 | 9,278 | (39,491) | (39,491) | <i>DAFR 8160</i> |
| REV % Change | | -4.93% | 38.13% | 7.54% | 0.00% | 5.10% | |



**FUND REVENUE & EXPENDITURE HISTORY
CUTTHROAT LICENSE PLATE FUNDS 0243.04**

This fund is used to deposit funds transferred from the
Idaho Transportation Department to the Non-Motorized Boating Program.

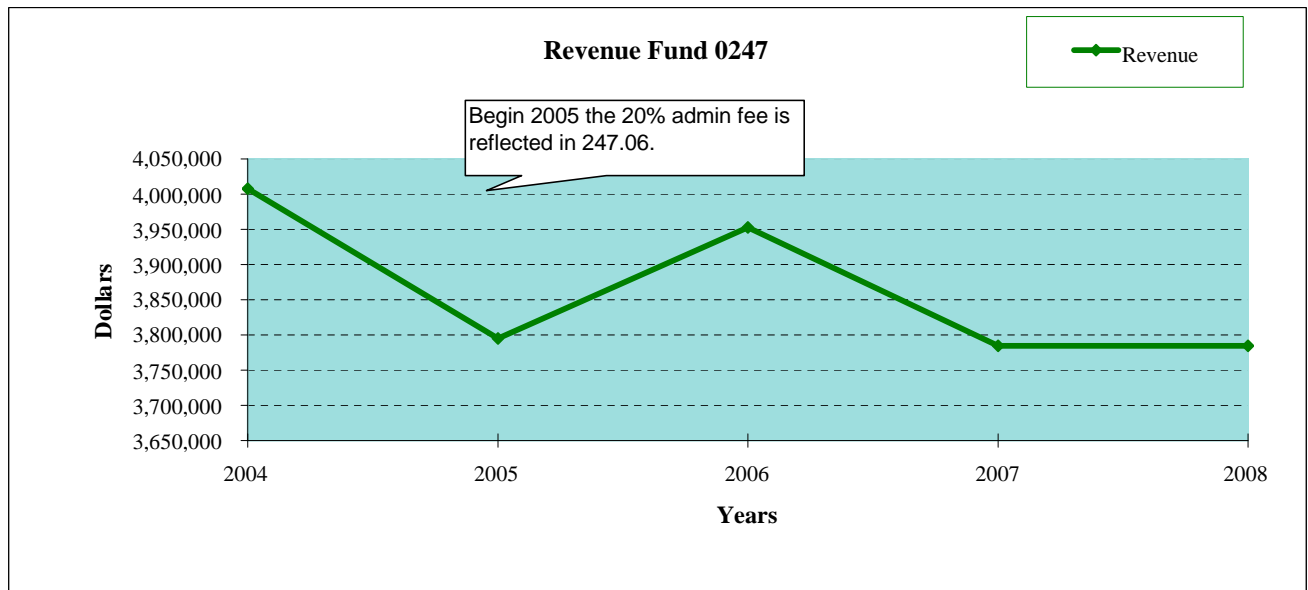
| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | <i>Source of data</i> |
|--------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|-----------------------|
| Revenue | | 4,633 | 9,295 | 11,126 | 13,894 | 13,894 | <i>DAFR 8160</i> |
| Expenditures | | - | - | 21,500 | - | 45,000 | <i>DAFR 8290</i> |
| Fund Balance | | 4,633 | 13,928 | 3,554 | 17,448 | (13,658) | <i>DAFR 8160</i> |
| REV % Change | | | 100.63% | 19.70% | 24.88% | 0.00% | |



**FUND REVENUE
GAS TAX FUNDS 0247**

The funds are from a percentage of gasoline and/or aircraft engine fuel tax received into fund 0247 (see IDAHO CODE, Section 63-2412 (e)). 20% of the monies may be used by the Department to defray administrative costs. Starting in 2004, this 20% is transferred to 0247.06.

| | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | <i>Source of data</i> |
|--------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|-----------------------|
| Revenue | 4,007,848 | 3,794,837 | 3,952,874 | 3,784,558 | 3,784,558 | <i>DAFR 8160</i> |
| REV % Change | 2.68% | -5.31% | 4.16% | -4.26% | 0.00% | |



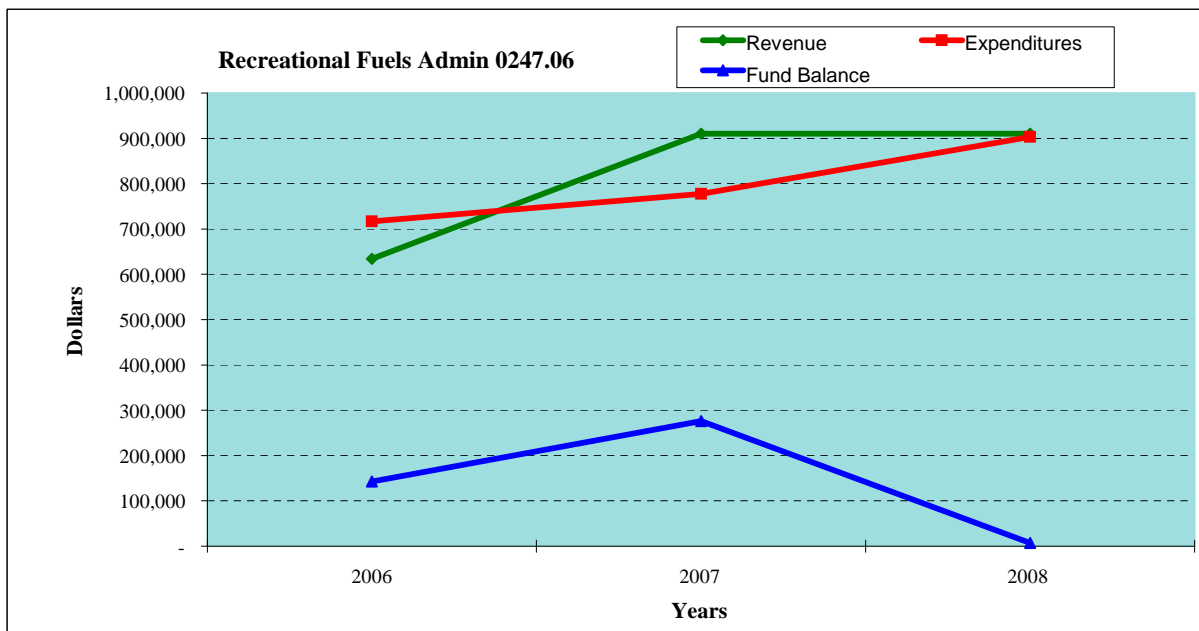
FUND REVENUE & EXPENDITURE HISTORY
RECREATIONAL FUELS ADMINISTRATION 0247.06

This fund is used to track the 20% administrative costs allowable for Fund 0247.
 within and leading to parks and recreation areas of the State. (see IDAHO CODE 63-2412(e)3)

| | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | |
|---------------------------|----------------|----------------|----------------|-----------------|-----------------|------------------|
| Revenue | 831,693 | 753,708 | 633,969 | 910,430 | 910,430 | <i>DAFR 8160</i> |
| Expenditures | 657,101 | 657,101 | 716,505 | 777,400 | 903,284 | <i>DAFR 8290</i> |
| ¹ Fund Balance | 174,592 | 225,372 | 142,836 | 275,866 | 7,146 | <i>DAFR 8160</i> |
| REV % Change | | | | | | |

¹ 2006 Fund Balance to be redistributed to funds 0247.01, 0247.02, 0247.03 and 0247.04

¹ Fund Balance decreased by Encumbrances (FY2006: \$3,921)

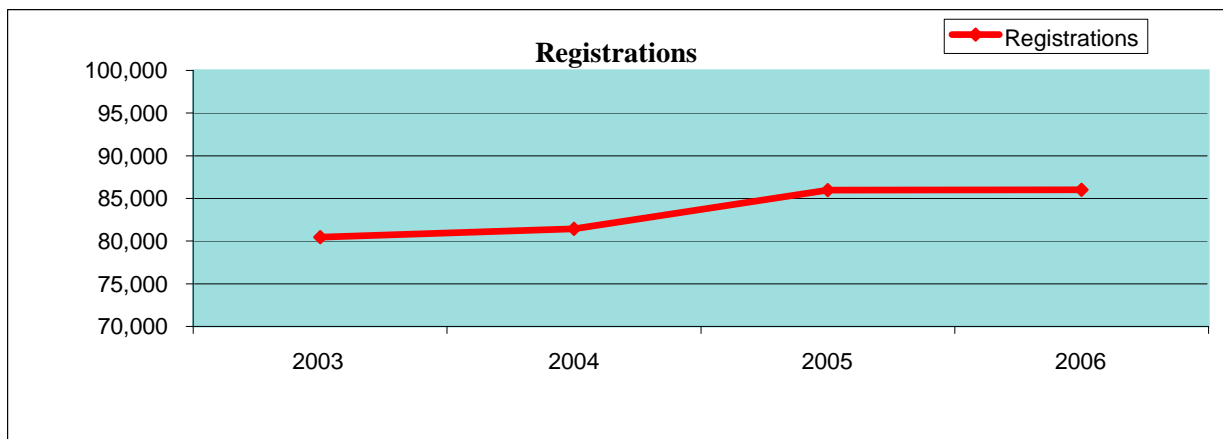
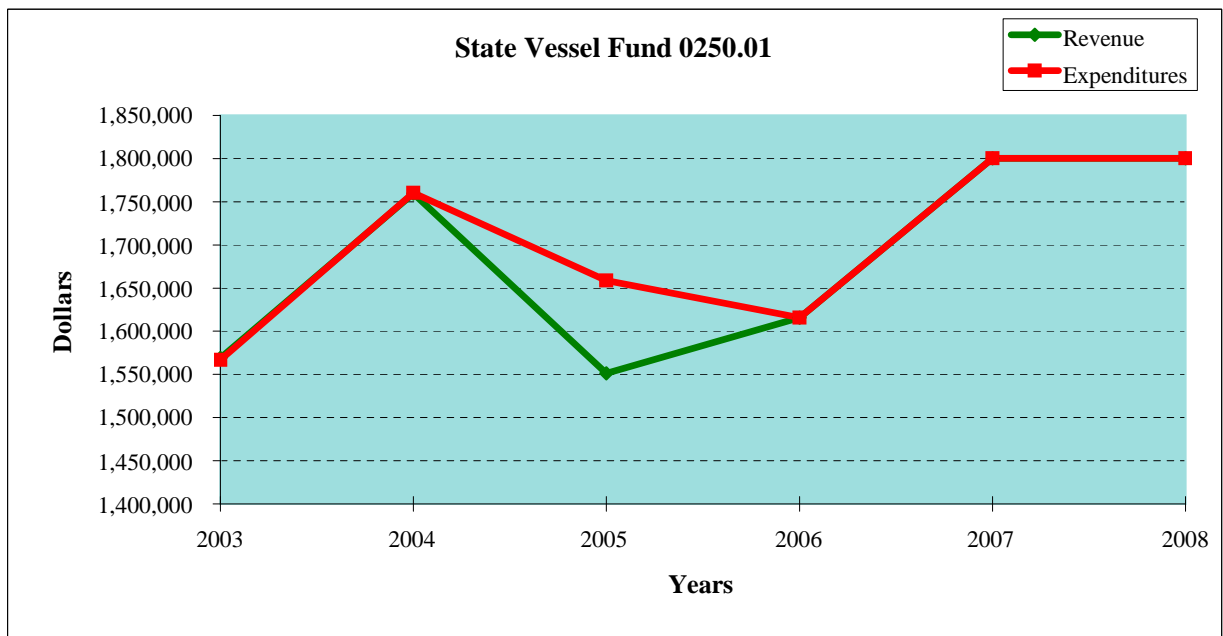


FUND REVENUE & EXPENDITURE HISTORY
STATE VESSEL FUND 0250.01

This fund is used for the State and County boating programs. The State uses up to 15% for administration (deposited in Fund 0243.02) and distributes at least 85% to the counties, which they put into their Vessel Fund to pay for program development, boating facilities maintenance, and services. All money receipted into this fund is from the sale of State boat licenses.

| Fiscal Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | |
|------------------------|---------------|---------------|---------------|-----------------|----------------|----------------|------------------|
| | Actual | Actual | Actual | Actual | Approp. | Request | |
| Revenue | 1,569,012 | 1,759,575 | 1,551,122 | 1,615,790 | 1,800,500 | 1,800,500 | <i>DAFR 8160</i> |
| Expenditures | 1,566,909 | 1,760,127 | 1,658,763 | 1,615,790 | 1,800,500 | 1,800,500 | <i>DAFR 8290</i> |
| Registration Yr | 2003 | 2004 | 2005 | 2006Est. | | | |
| Registrations | 80,456 | 81,429 | 85,963 | 86,000 | | | |
| REG % Change | | 1.19% | 5.27% | 0.04% | | | |

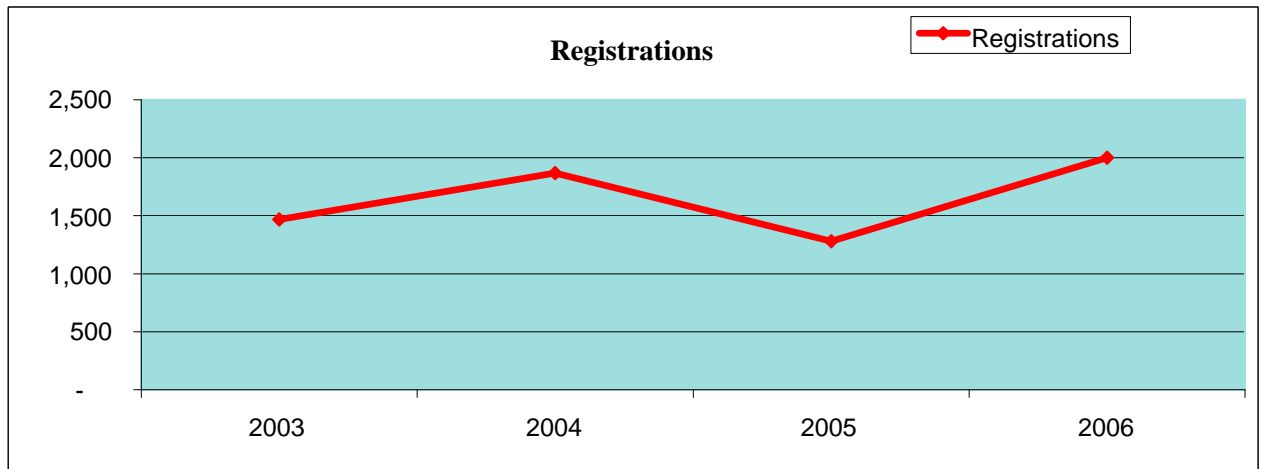
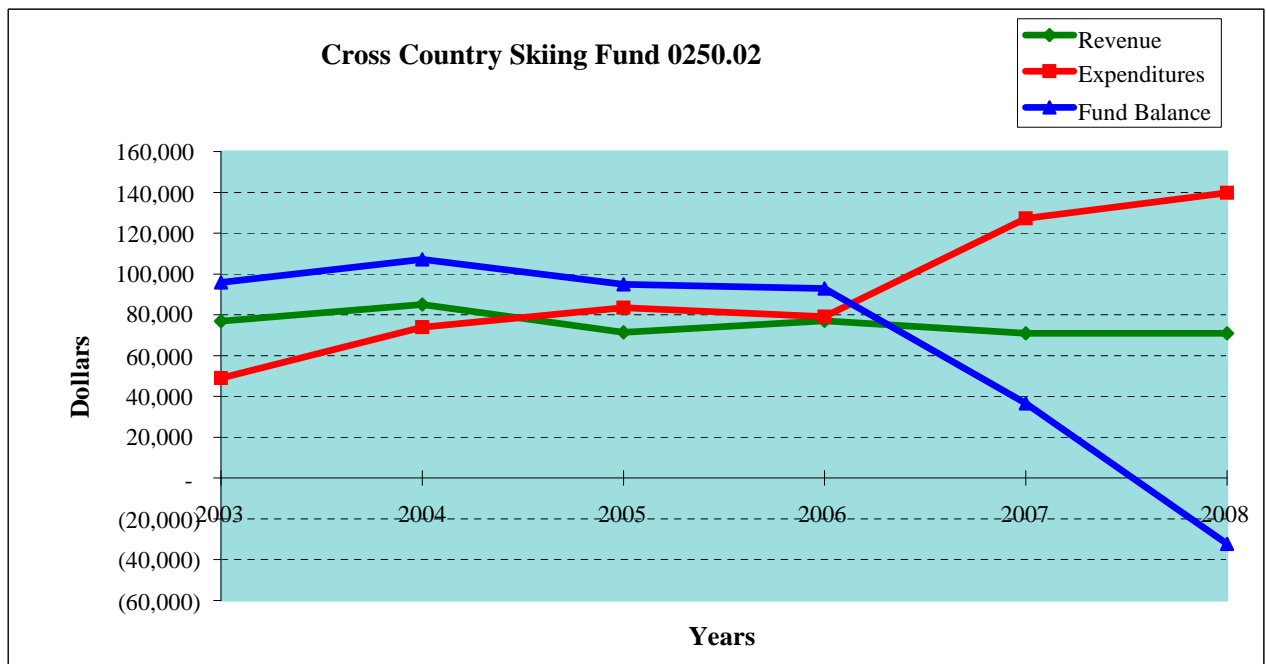
Note: Pass through funds to counties. Expenditures equal revenue in the long term.



FUND REVENUE & EXPENDITURE HISTORY **CROSS COUNTRY SKIING FUND 0250.02**

This fund was established to develop and maintain cross-country ski trails and parking facilities. This activity is funded by winter recreation area parking permits (see IC 67-7117), nordic ski grooming fees at Ponderosa and Harriman, and Idaho City Yurt revenue.

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|------------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------|
| Revenue | 76,900 | 85,097 | 71,383 | 76,987 | 70,912 | 70,912 | DAFR 8160 |
| Expenditures | 48,920 | 73,903 | 83,551 | 79,049 | 127,167 | 139,829 | DAFR 8290 |
| Fund Balance | 95,922 | 107,116 | 94,948 | 92,886 | 36,631 | (32,286) | DAFR 8160 |
| Registration Yr | 2003 | 2004 | 2005 | 2006Est. | | | |
| Registrations | 1,467 | 1,869 | 1,281 | 2,000 | | | |
| REG % Change | | 21.51% | -45.90% | 35.95% | | | |



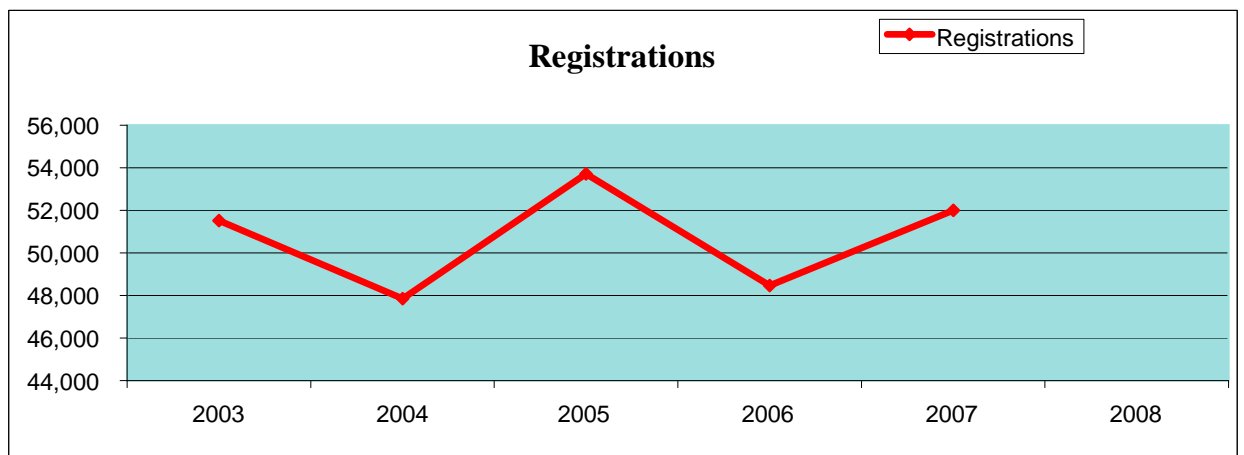
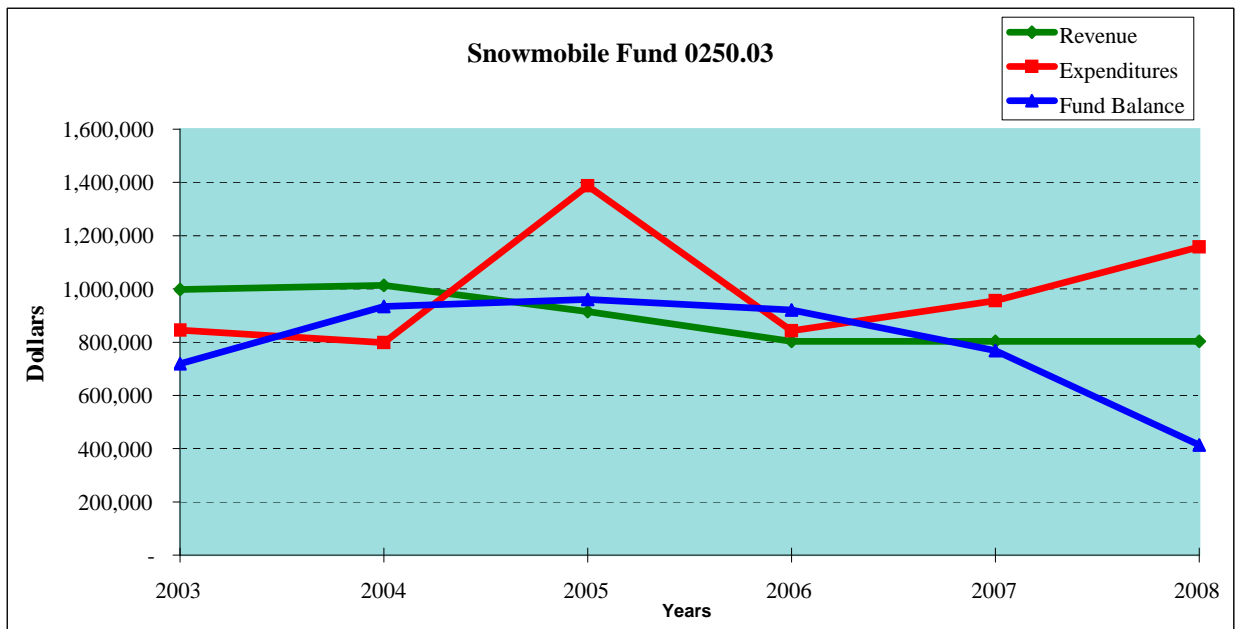
FUND REVENUE & EXPENDITURE HISTORY **SNOWMOBILE FUND 0250.03**

This fund is used to distribute money to the counties to provide services or facilities approved by the Department that will benefit snowmobilers. This includes trail grooming, plowing, and maintaining snowmobile parking areas, facilities, and trail signing. The funds are from snowmobile registration fees. (see IDAHO CODE 67-7106)

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 ¹ Approp. | 2008 Request | Source of data |
|------------------------|----------------|----------------|----------------|----------------|------------------------------|-----------------|----------------|
| Revenue | 997,383 | 1,012,937 | 914,304 | 803,270 | 803,270 | 803,270 | DAFR 8160 |
| Expenditures | 845,185 | 798,142 | 1,387,000 | 842,760 | 956,140 | 1,157,240 | DAFR 8290 |
| Fund Balance | 719,284 | 934,079 | 960,340 | 920,850 | 767,980 | 414,010 | DAFR 8160 |
| Registration Yr | 2002 | 2003 | 2004 | 2005 | 2006 est. | | |
| Registrations | 51,526 | 47,850 | 53,709 | 48,471 | 52,000 | | |
| REG % Change | | -7.68% | 10.91% | -10.81% | 6.79% | | |

¹ The 2005 season was a low snow year.

Approximately \$700,000 will be transferred to snowmobile clubs in August of 2006.



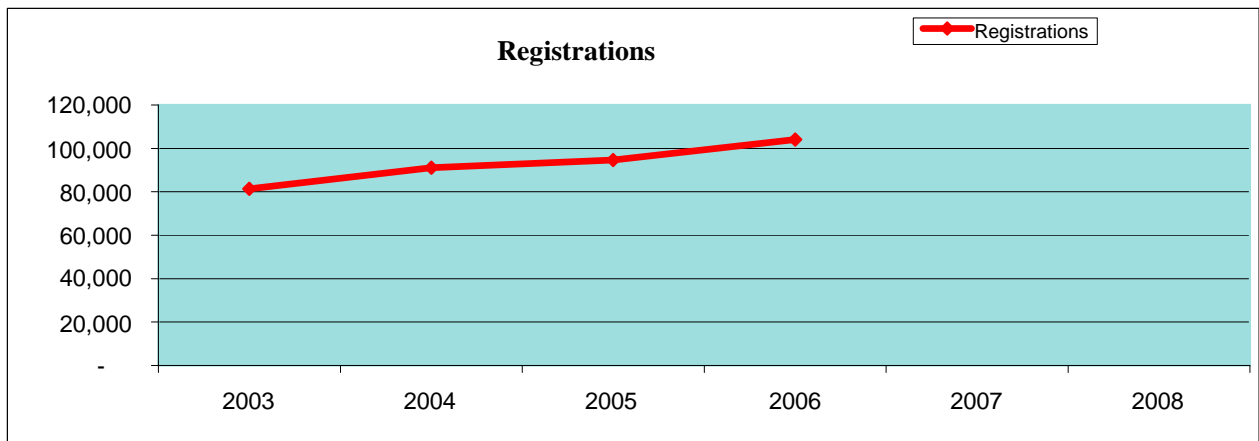
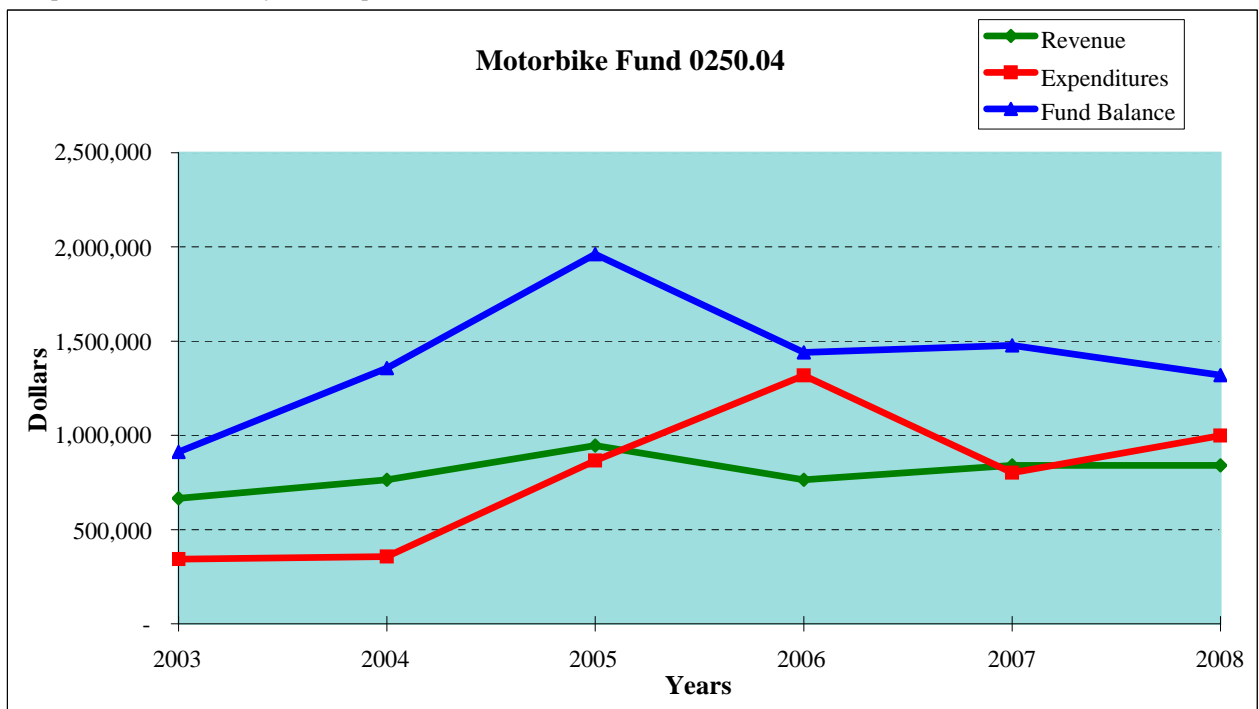
FUND REVENUE & EXPENDITURE HISTORY **MOTORBIKE FUND 0250.04**

This fund is used to purchase or lease land, maintain and develop trails, and facilities, coordinate the trail ranger program, and for off-road user education. The funds are from fees charged for off-highway motorbike stickers. (IDAHO CODE 67-7126)

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 ^{1,2} Actual | 2007 Approp. | 2008 Request | Source of data |
|------------------------|----------------|----------------|----------------|-------------------------------|-----------------|-----------------|----------------|
| Revenue | 665,929 | 764,867 | 945,368 | 764,035 | 840,400 | 840,400 | DAFR 8160 |
| Expenditures | 342,464 | 356,329 | 866,561 | 1,317,896 | 801,994 | 998,192 | DAFR 8290 |
| Fund Balance | 912,369 | 1,357,371 | 1,961,995 | 1,439,499 | 1,477,905 | 1,320,113 | DAFR 8160 |
| Registration Yr | 2003 | 2004 | 2005 | 2006 Est. | | | |
| Registrations | 81,396 | 91,037 | 94,600 | 104,060 | | | |
| REG % Change | | 11.84% | 3.91% | 10.00% | | | |

¹ Fund Balance is reduced by Encumbrances (\$329,351 in FY2006).

² Expenditures include Bayhorse acquisition

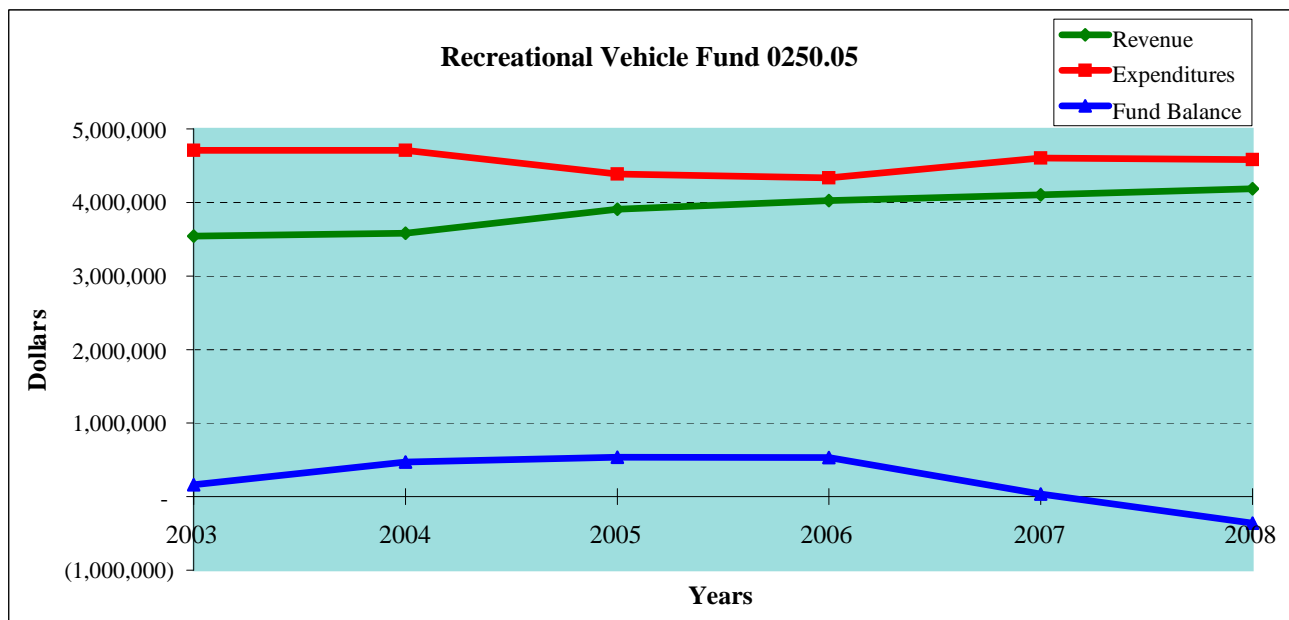


**FUND REVENUE & EXPENDITURE HISTORY
RECREATIONAL VEHICLE FUND 0250.05**

This fund is used for the administration of the State's Recreational Vehicle Program and to provide grants for recreational vehicle projects. (see IDAHO CODE 49-448)

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 ¹ Actual | 2007 Approp. | 2008 Request | Source of data |
|--------------|----------------|----------------|----------------|-----------------------------|-----------------|-----------------|----------------|
| Revenue | 3,543,550 | 3,580,832 | 3,909,257 | 4,024,292 | 4,104,800 | 4,186,900 | DAFR 8160 |
| Expenditures | 4,710,513 | 4,710,513 | 4,386,774 | 4,334,333 | 4,603,699 | 4,581,833 | DAFR 8290 |
| Fund Balance | 160,676 | 469,545 | 537,417 | 532,970 | 34,071 | (360,862) | DAFR 8160 |
| REV % Change | | 1.05% | 9.17% | 2.94% | 14.63% | 7.10% | |

¹Fund Balance decreased by Encumbrances and Reappropriated Project Budgets (FY2006: \$2,891,974 and \$2,166,488 respectively).

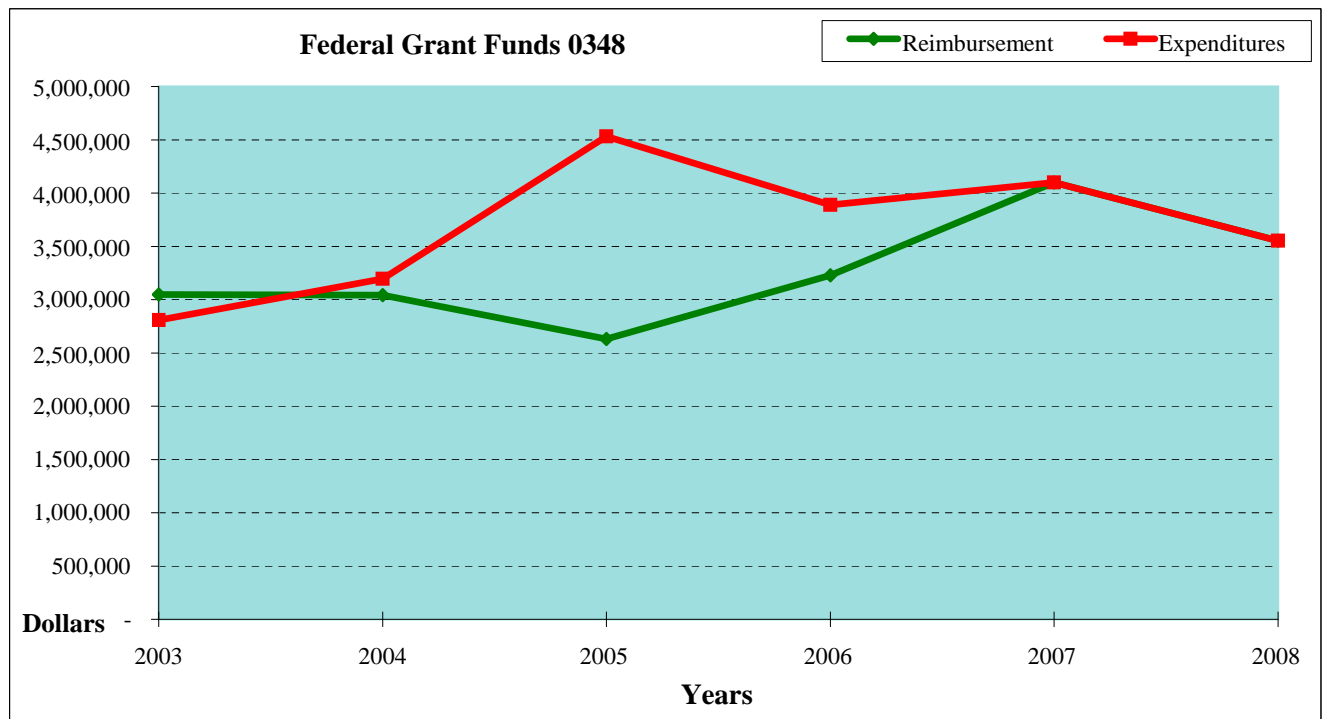


FUND REVENUE & EXPENDITURE HISTORY
FEDERAL GRANT FUND 0348

This fund receives money from Federal sources which are used for specific projects. The primary sources of Federal Funds are the U.S. Department of Interior-National Park Service and U.S. Department of Transportation-Coast Guard Boat Safety and -Recreational Trails Program.

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|---------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|
| Reimbursement | 3,047,406 | 3,041,110 | 2,631,685 | 3,229,563 | 4,098,500 | 3,552,779 | DAFR 8160 |
| Expenditures | 2,807,489 | 3,196,036 | 4,531,400 | 3,888,542 | 4,098,500 | 3,552,779 | DAFR 8290 |
| REV % Change | | -0.21% | -13.46% | 22.72% | 34.77% | 35.00% | |

Reimbursements should equal Expenditures in the long term, pursuant to federal grant awards and agreements.



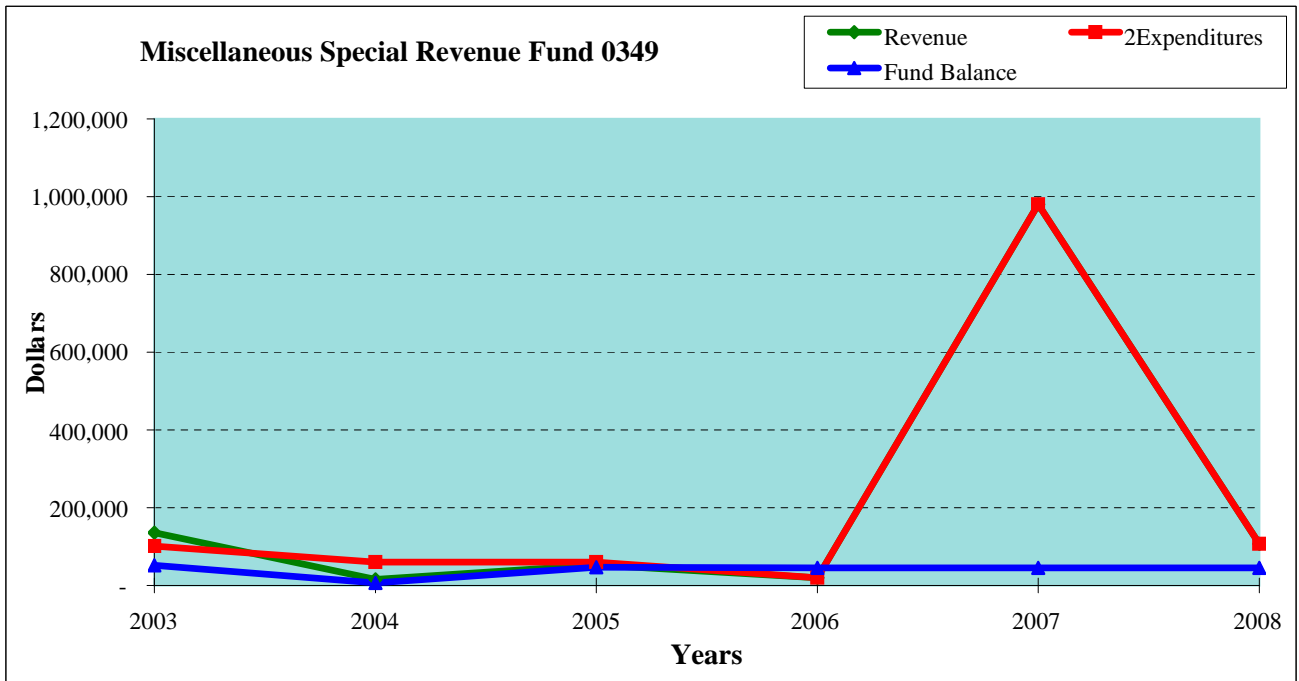
FUND REVENUE & EXPENDITURE HISTORY
MISCELLANEOUS SPECIAL REVENUE FUND 0349

This fund is used to track contracts and memorandums of understanding with non-federal agencies.

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 ¹ Approp. | 2008 Request | |
|---------------------------|----------------|----------------|----------------|----------------|------------------------------|-----------------|------------------|
| Revenue | 135,894 | 15,415 | 52,898 | 19,559 | 980,000 | 107,223 | <i>DAFR 8160</i> |
| ² Expenditures | 101,456 | 59,747 | 59,747 | 19,559 | 980,000 | 107,223 | <i>DAFR 8290</i> |
| Fund Balance | 51,710 | 6,325 | 46,575 | 45,030 | 45,030 | 45,030 | <i>DAFR 8160</i> |
| | | -88.66% | 243.17% | -63.03% | 6257.61% | 102.70% | |

¹Fy 2007 revenue estimate increased for campground at Lake Cascade funded by Tamarack.

²Reimbursements should equal Expenditures in the long term, pursuant to non-federal grant agreements.



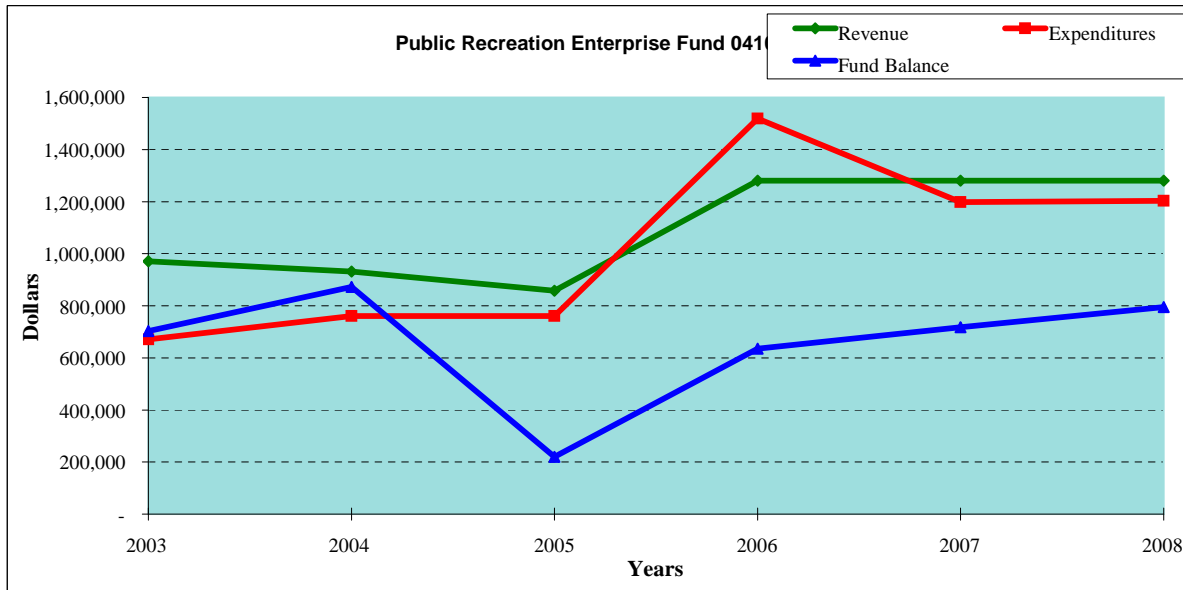
FUND REVENUE & EXPENDITURE HISTORY
PUBLIC RECREATION ENTERPRISE FUND 0410.01

This is a statewide fund the Department of Parks and Recreation uses to operate the Big Eddy, Hells Gate, and Spring Shores Marinas; Lakeview Village; Indian Creek Store; and miscellaneous leases. Receipts are deposited into this fund and expenses are paid from the fund. Fees collected include moorage fees, gasoline sales, cabin rentals, retail and concession sales.

| | 2003 Actual | 2004 Actual | 2005 ² Actual | 2006 ¹ Actual | 2007 Approp. | 2008 Request | Source of data |
|--------------|----------------|----------------|-----------------------------|-----------------------------|-----------------|-----------------|----------------|
| Revenue | 970,762 | 931,294 | 858,325 | 1,280,856 | 1,280,900 | 1,280,900 | DAFR 8160 |
| Expenditures | 670,675 | 760,976 | 760,976 | 1,518,721 | 1,198,500 | 1,203,124 | DAFR 8290 |
| Fund Balance | 702,352 | 872,670 | 219,920 | 635,088 | 717,488 | 795,264 | DAFR 8160 |
| REV % Change | | -4.07% | -7.84% | 49.23% | 37.54% | 49.23% | |

¹Fund Balance reduced by Encumbrances and Reappropriated Project Budgets (FY2006: \$78,351 and \$128,250 respectively).

² Transfer In from 0410.02 to 0410.01 in 2005 increased fund balance.

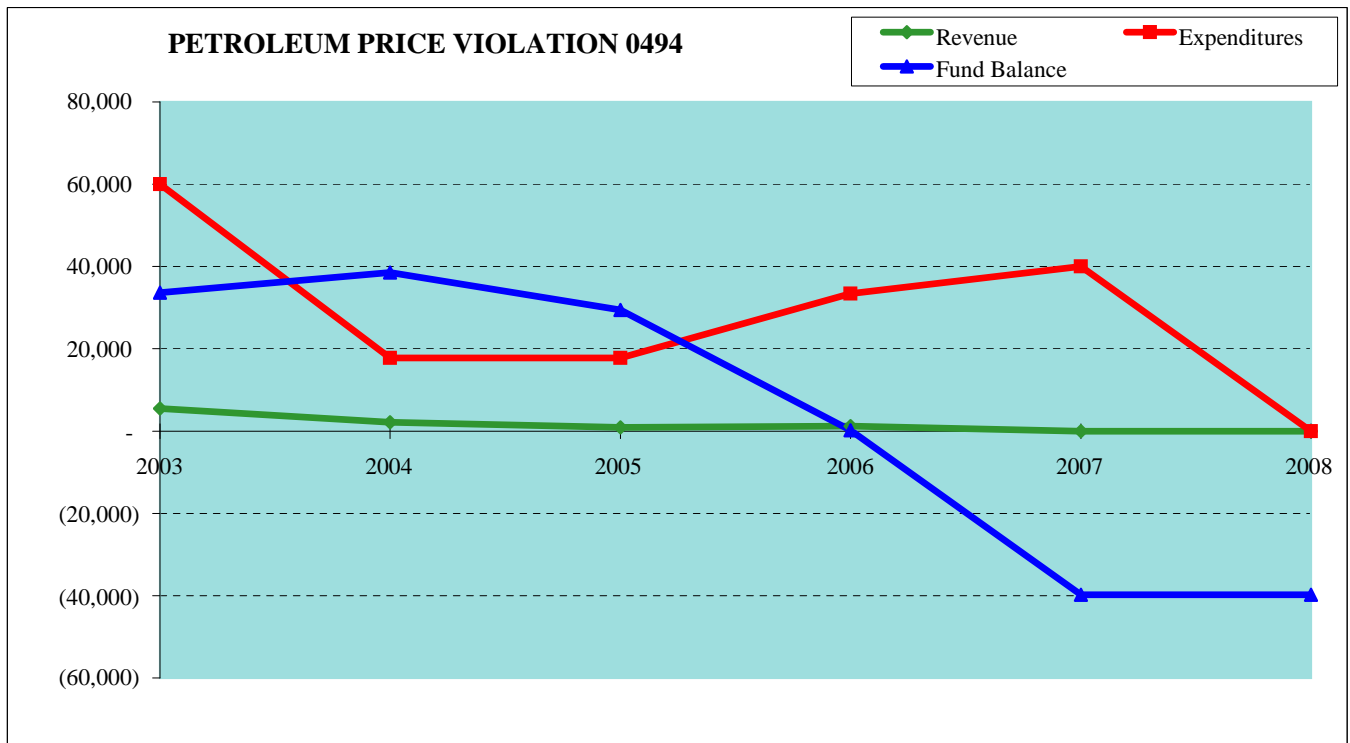


FUND REVENUE & EXPENDITURE HISTORY **PETROLEUM PRICE VIOLATION 0494**

Petroleum pricing violation funds as part of a nationwide redistribution to the states from the U.S. Department of Energy. Funds are to be passed through to grant applicants for a variety of trail projects.

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 ¹ Actual | 2007 Approp. | 2008 Request | Source of data: |
|--------------|----------------|----------------|----------------|-----------------------------|-----------------|-----------------|-----------------|
| Revenue | 5,507 | 2,164 | 915 | 1,237 | - | - | DAFR 8160 |
| Expenditures | 60,000 | 17,760 | 17,760 | 33,442 | 40,000 | - | DAFR 8290 |
| Fund Balance | 33,673 | 38,557 | 29,472 | 227 | (39,773) | (39,773) | DAFR 8160 |
| REV % Change | | -60.71% | -57.70% | 35.20% | -100.00% | -100.00% | |

¹Fund Balance is reduced by Encumbrances (\$33,442 in FY2006).



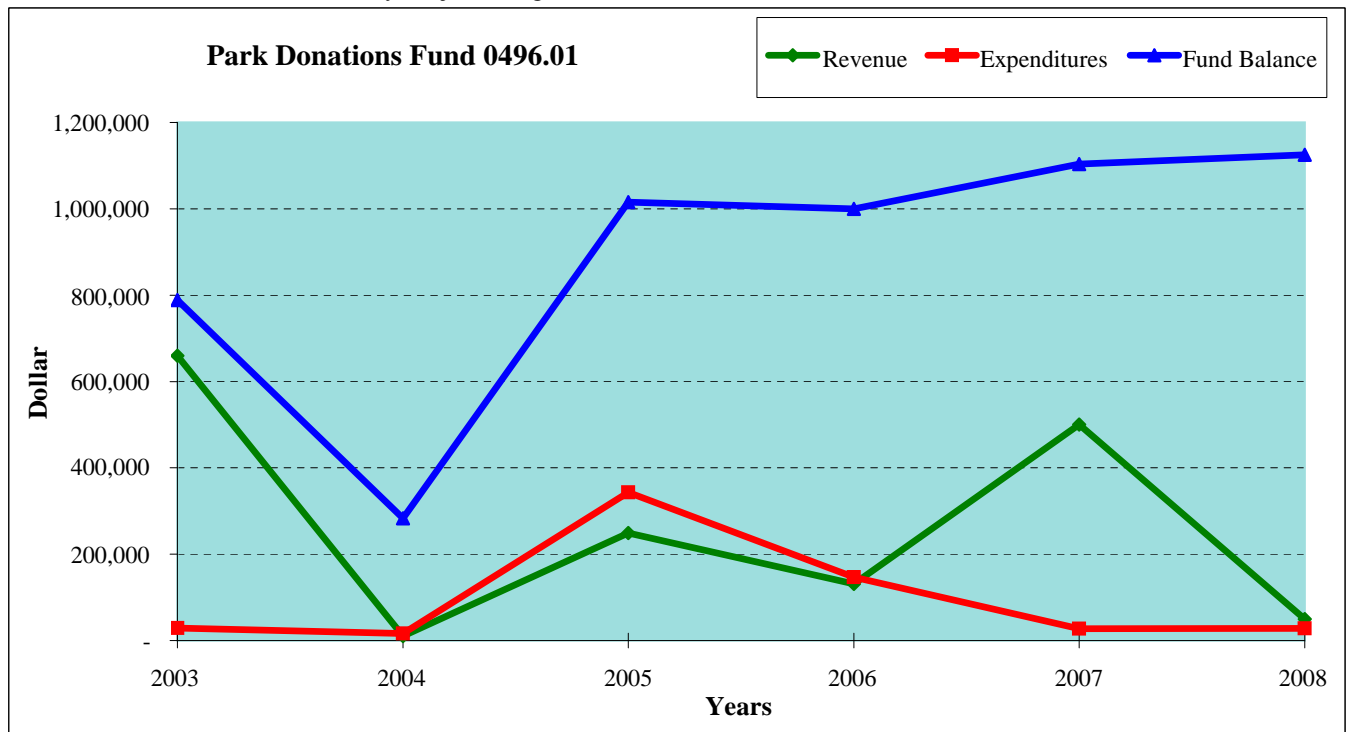
FUND REVENUE & EXPENDITURE HISTORY
PARK DONATIONS FUND 0496.01

This fund receives donations from any source and used as designated by either the donor or the Park and Recreation Board.

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 ¹ Approp. | 2008 Request | Source of data |
|--------------|----------------|----------------|----------------|----------------|------------------------------|-----------------|----------------|
| Revenue | 659,578 | 10,050 | 249,073 | 130,976 | 500,000 | 50,000 | DAFR 8160 |
| Expenditures | 28,981 | 15,963 | 343,001 | 146,895 | 27,445 | 28,323 | DAFR 8290 |
| Fund Balance | 788,887 | 282,974 | 1,015,794 | 999,875 | 1,103,406 | 1,125,083 | DAFR 8160 |
| REV % Change | | -98.48% | 2378.30% | -47.41% | 1203.22% | -79.93% | |

¹ Revenue projected for Bruneau Science Center & Old Mission fund raisers.

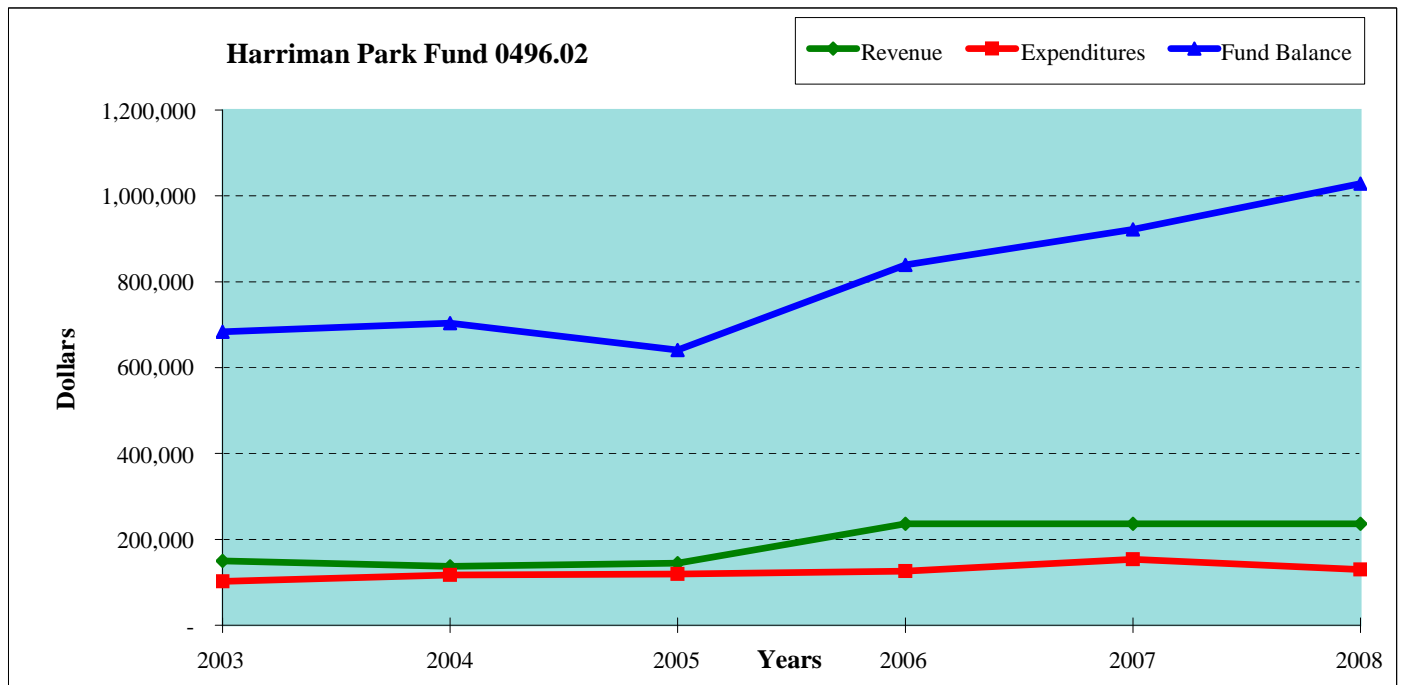
¹ Fund Balance is reduced by Project Budgets (\$1,955,000 in FY2006).



**FUND REVENUE & EXPENDITURE HISTORY
HARRIMAN PARK FUND 0496.02**

This fund is used to deposit receipts generated by Harriman State Park and pay all expenditures related to improvement and maintenance of the park.

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|--------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|
| Revenue | 149,867 | 137,437 | 144,801 | 236,478 | 236,478 | 236,478 | DAFR 8160 |
| Expenditures | 101,741 | 117,163 | 118,900 | 126,215 | 153,783 | 129,689 | DAFR 8290 |
| Fund Balance | 683,243 | 703,517 | 641,349 | 839,112 | 921,807 | 1,028,596 | DAFR 8160 |
| REV % Change | | -8.29% | 5.36% | 63.31% | 72.06% | 63.31% | |



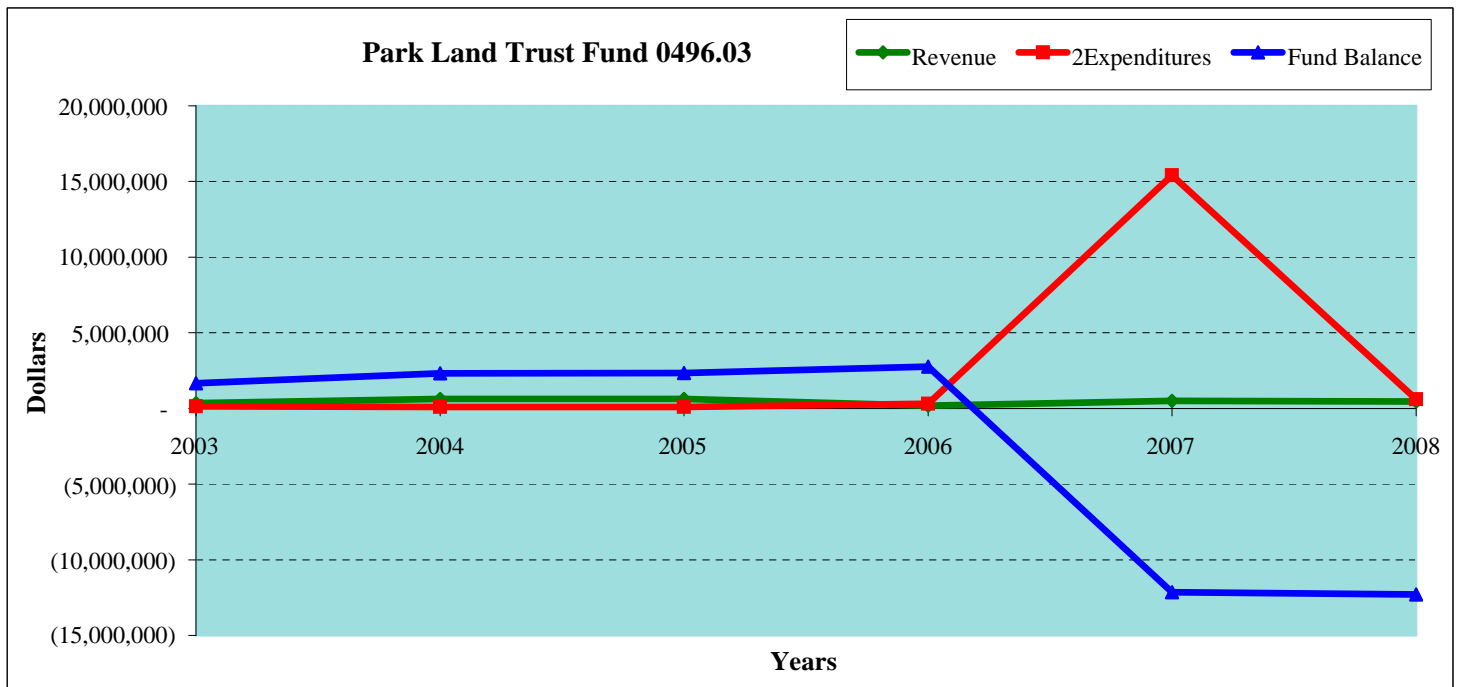
FUND REVENUE & EXPENDITURE HISTORY
PARK LAND TRUST FUND 0496.03

This fund is used to dispose of unsuitable park and recreation lands and for the acquisition of lands to improve the overall park and recreation opportunities of the state park system. Revenues are generated from the various trust held by the Department. (see IDAHO CODE 67-4244)

| | 2003 Actual | 2004 Actual | 2005 Actual | 2006 ¹ Actual | 2007 Approp. | 2008 Request | Source of data |
|---------------------------|----------------|----------------|----------------|-----------------------------|-----------------|-----------------|----------------|
| Revenue | 361,149 | 626,623 | 632,992 | 191,462 | 500,000 | 450,000 | DAFR 8160 |
| ² Expenditures | 132,706 | 108,780 | 108,780 | 301,814 | 15,407,284 | 608,256 | DAFR 8290 |
| Fund Balance | 1,665,349 | 2,329,206 | 2,346,192 | 2,772,708 | (12,134,576) | (12,292,832) | DAFR 8160 |
| REV % Change | | 73.51% | 1.02% | -69.75% | -20.21% | -28.91% | |

¹Fund Balance is reduced by encumbrances and reappropriated project budgets (FY2006: \$20,388 and \$56,905 respectively).

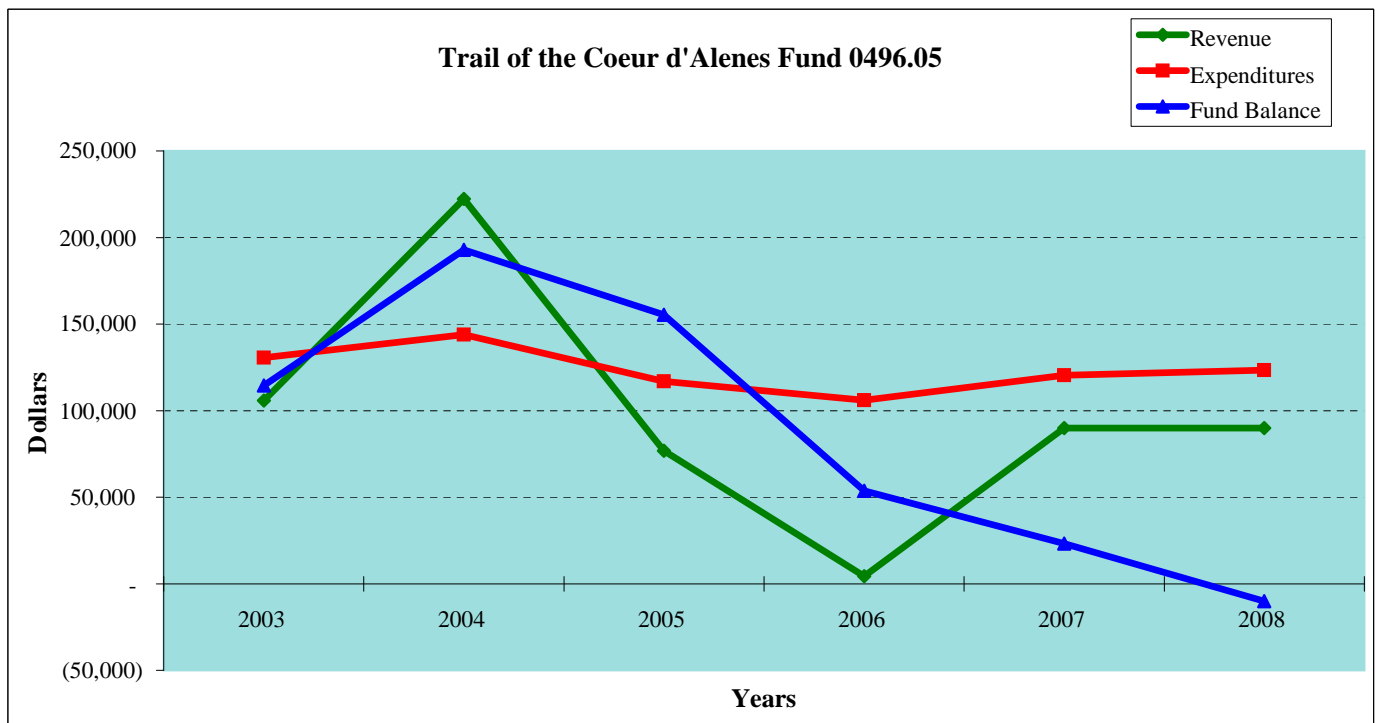
² Projected revenue does not include gravel extraction revenue from Eagle Island. FY2007 appropriation includes Experience Idaho appropriation projected for gravel extraction revenue.



FUND REVENUE & EXPENDITURE HISTORY
Trail of the Coeur d'Alenes Fund 0496.05

| | 2003 Actual | 2004 Actual | 2005 Actual ¹ | 2006 Actual | 2007 Approp. | 2008 Request | Source of data |
|--------------|----------------|----------------|-----------------------------|----------------|-----------------|-----------------|----------------|
| Revenue | 105,900 | 222,306 | 76,781 | 4,317 | 90,000 | 90,000 | DAFR 8160 |
| Expenditures | 130,585 | 143,867 | 116,879 | 105,928 | 120,488 | 123,323 | DAFR 8290 |
| Fund Balance | 114,502 | 192,942 | 155,353 | 53,742 | 23,254 | (10,069) | DAFR 8160 |
| REV % Change | NA | 109.92% | -65.46% | -94.38% | NA | NA | |

Note: Cash balance of Trust held at Wells Fargo Bank as of June 30, 2006, was \$3,378,423



ATTACHMENT #8

Objectives:

1. Increase maintenance, administrative and recreation/interpretive staff.
2. Develop signage that clearly articulates hazards or inherent risk of park use. At Billingsley Creek, make visitors aware of hunting use on the adjoining Wildlife Management Area.
3. Expand the Malad Gorge maintenance facility to include more storage and office space. Also, develop smaller, satellite maintenance facilities at the other park units where equipment and supplies can be stored.
4. Work with the city of Hagerman to identify locations to house seasonal employees. If no residences in Hagerman are available for seasonal rent, develop seasonal housing at Malad Gorge.
5. Develop a volunteer host site at Billingsley Creek.
6. Retain existing staff housing at Malad Gorge and Billingsley Creek.
7. Improve staff training so the park staff is better prepared to manage and implement planned restoration projects and expanded educational programming.
8. Ensure that park staff is accessible to visitors (in person or via phone) during hours of operation.

H. Partnerships: Foster partnerships to protect resources, create linkages and enhance the visitor experience.

Objectives:

1. Work with surrounding landowners and partnering agencies to protect water resources and enhance water quality.
2. Develop partnerships and negotiate trail easements to facilitate the expansion of

trail systems within, adjacent to and in between the park units. For instance, explore possibilities for providing a connection from Malad Gorge to Highway 30 via the old county road grade, the Idaho Power easement or an easement through Woody's Cove.

3. If deemed feasible, work with The Nature Conservancy, Southern Idaho Land Trust (SILT) and other entities/agencies to add the Ritter Island and Minnie Miller springs site resources to the State Park system.
4. Secure partnerships to research and interpret cultural resources within the park, including the Vardis Fisher home site.
5. Collaborate with area schools and educators to develop educational programming and facilities and to operate the Billingsley Creek greenhouse.
6. Pursue partners to operate and expand the markets at Billingsley Creek.
7. Seek partnerships and other opportunities to control vegetation and improve water quality at Crystal Lake.
8. Work with the University of Idaho and ARS to interpret the aquaculture research facility, riparian and fishery restoration in Billingsley Creek and to maintain water quality and quantity in Fisher Lake.
9. Work with Fish and Game to improve fishing access along Crystal Lake, Billingsley Creek and the Snake River. Also work with Fish and Game to buffer and restore riparian habitat along Billingsley Creek and to create safe hunting opportunities.

ATTACHMENT #9

Road Bridge Applications FY '07

| Applicant | Grant Request | Match | Total | Project | Users Served |
|---------------------------------|----------------------|---------------------|----------------------|--|---|
| | | | | | |
| City of Ashton | \$ 61,300.00 | \$ 50,800.00 | \$ 112,100.00 | Ashton-Tetonia Trailhead parking | Pave snowmobile parking lot |
| Boise National Forest | \$ 60,000.00 | \$ 10,000.00 | \$ 70,000.00 | Warm Springs Road Repair | Motorized trail parking lot improvements |
| Minidoka County | \$ 25,230.00 | \$ 2,023.00 | \$ 27,253.00 | River Bend Park Parking Lot | Parking lot improvements for motorized boating |
| Bonneville County | \$ 6,951.00 | \$ 800.00 | \$ 7,751.00 | Chip Seal Juniper Access | Motorized boating access road |
| Bonneville County | \$ 28,719.00 | \$ 2,200.00 | \$ 30,919.00 | Blacktail Access Road | Motorized boating access road |
| Franklin County | \$ 8,000.00 | \$ 2,120.00 | \$ 10,120.00 | Birch Creek Parking Lot | Snowmobile, ATV and other use - expand parking lot |
| Bureau of Land Mangement | \$ 2,666.00 | | \$ 2,666.00 | Egin Lakes increase | Increase to current project |
| Boise National Forest | \$ 40,000.00 | \$ 13,000.00 | \$ 53,000.00 | Sagehen Paving | Chip-seal access road to campgrounds |
| City of McCall | \$ 67,134.00 | | \$ 67,134.00 | Davis & Lick Creek intersection | Access to Ponderosa State Park - motorized boating |
| Funding Line | \$ 300,000.00 | \$ 13,000.00 | \$ 380,943.00 | City of McCall reduced from \$187,000 to \$67,134 due to availability of funds. | |
| Caribou-Targhee National Forest | \$ 11,210.00 | \$ - | \$ 11,210.00 | Big Springs Water Trail Access | Non-motorized boating access road |
| Caribou-Targhee National Forest | \$ 12,993.00 | \$ - | \$ 12,993.00 | Box Canyon Boat Launch | Non-motorized boating access road |
| Caribou-Targhee National Forest | \$ 10,579.00 | \$ - | \$ 10,579.00 | Last Chance Boat Launch | Non-motorized boating access road |
| Caribou-Targhee National Forest | \$ 37,600.00 | \$ 11,000.00 | \$ 48,600.00 | Kelly Canyon | General use - ATV, motorbike, X-country ski, equestrian |

Road Bridge Applications FY '07

| Applicant | Grant Request | Match | Total | Project | Users Served |
|----------------------------|---------------|--------------|---------------|-----------------------------------|---|
| Idaho Fish & Game | \$ 30,000.00 | \$ 10,000.00 | \$ 40,000.00 | Rainey Bridge Access | Non-motorized boating access road |
| Payette National Forest | \$ 30,000.00 | \$ 64,000.00 | \$ 94,000.00 | Bear Basin Nordic Parking Lot | Nordic skiing - 2-lane road, parking lot |
| Boise National Forest | \$ 62,000.00 | \$ 18,000.00 | \$ 80,000.00 | Banks Boating Access Pave & Paint | Parking lot for non-motorized boats |
| Boise National Forest | \$ 10,000.00 | \$ 2,000.00 | \$ 12,000.00 | Ditch Creek Road | Access road to trailhead, motorized use unclear |
| Idaho Fish & Game | \$ 23,000.00 | \$ 23,016.50 | \$ 46,016.50 | Farragut Shooting Range | Acces road to shooting range |
| City of Burley | \$ 72,890.00 | \$ 53,731.00 | \$ 126,621.00 | Burley Ball Fields & Fish Ponds | Parking lot for ballfields and fishing pond |
| Bonneville County | \$ 2,405.50 | \$ 2,405.50 | \$ 4,811.00 | June Creek Road | Clear road to be used as a snowmobile trail |
| Clearwater National Forest | | | \$ - | Laird Park Cattleguard | Replace cattleguard at entrance to campground |
| | \$ 602,677.50 | | | | |

ATTACHMENT #10

TRAIL OF THE COEUR D'ALENES TIME LINE

as of July 14, 2006

| | |
|--------------|---|
| 1991 | Coeur d'Alene Tribe (Tribe) files Comprehensive Environmental, Response, Compensation, and Liability Act (CERCLA) lawsuit against Union Pacific Railroad (UPRR) and several mining companies seeking to address releases of hazardous substances in the Coeur d'Alene basin including contamination along the 71.5 mile right-of-way between Mullan and Plummer, Idaho (ROW). |
| 1995 | UPRR submitted a good faith offer to settle environmental claims of the United States, State and Tribe. UPRR and the governments subsequently engaged in four years of investigations and negotiations to address the contamination of the ROW in order to protect public health and the environment. |
| 1999 | UPRR, United States, State and Tribe entered into a Consent Decree (CD) requiring UPRR to undertake certain cleanup, trail construction and other obligations concerning the ROW and to transfer the ROW to the State and Tribe for use as a recreational trail. |
| 2000 | Surface Transportation Board issues Certificate of Interim Trail Use (CITU), authorizing UPRR to transfer the ROW to the State and Tribe for interim trail use/rail-banking under federal law, provided an agreement IS reached between the UPRR, State and Tribe. |
| 2001 | <p>UPRR, State, and Tribe enter into an Interim Use/Rail Banking Agreement, which requires UPRR to transfer ownership of the ROW to State and Tribe upon completion of response actions and other obligations in CD.</p> <p>State and Tribe begin process of developing agreements to establish a long-term cooperative partnership between the State and the Tribe with respect to ownership, management and operation of the Trail of the Coeur d'Alenes (TOC).</p> |
| 2002 | UPRR begins resolution to the numerous real estate and encroachments issues along the ROW. |
| October 2002 | Interim Trail Management Funding Agreement (ITFMA) signed, IDPR and Tribe manage trail, UPRR compensate \$10,000 and \$7,500 per month respectively. |
| January 2003 | Tribe/State met and reviewed the draft General Management Principles and Operating Guidelines of TOC and began developing Heyburn Park Management documents |
| March 2003 | State/Tribe met to review Heyburn Park Management documents. Tribe legal counsel took all documents for review. |

| | |
|----------------|--|
| September 2003 | Met with Tribe Counsel representatives, verbally agreed upon State/Tribe Agreement and contents. Tribe was to update agreement as agreed. |
| October 2003 | UPRR indicates that it has met its obligations with respect to real estate/encroachment issues along the ROW. |
| December 2003 | State responds to UPRR that they must continue its good faith efforts in resolving the various real estate/encroachment issues and disclosures on the ROW. |
| March 2004 | Sent Tribe draft agreement based upon what was agreed upon in 9-03 meeting. Offered to assist with development/review of various documents. UPRR agrees to continue its good faith effort in resolving the real estate/encroachment issues. |
| June 2004 | ITMFA funding ended as agreed upon by State, Tribe, and UPRR. |
| July 2004 | Trail Grand Opening |
| 2005 | UPRR's efforts in resolving real estate/encroachment issues halts. IDPR sent correspondence to cause to continue but no response. |
| January 2005 | Certification of Completion issued by Governments Trail Long Term Oversight Plan (TLOP) Final Draft completed for review. TLOP provided organizational and oversight info for management of the installed barrier system (Institutional Controls Program [ICP] for trail). Tribe indicated needed to make a formal review. |
| July 2005 | Tribe provided rewritten TLOP for input from State. This process continued over time. |
| April 2006 | Tribe and State rewrote and presented TLOP, now Response Action Maintenance Plan (RAMP), to reduce redundancy and adhere to Silver Valley BOX ICP for review. |
| May 2006 | UPRR agrees to review real estate/encroachment issues again in preparation of ROW transfer in September. |
| June 2006 | Tribe/State met and reviewed previous documents/input on Heyburn Park Management documents. |
| July 2006 | RAMP reviewed and agreed upon in principle with a few final edits. To be presented for approval. Heyburn Long Term Management Plan draft developed and being reviewed. UPRR provides list of last efforts to resolve real estate/encroachment issues and that no further action by UPRR is required prior to ROW transfer. |
| Sept. 4, 2006 | Projected completion of all documents and transfer of ROW from UPRR to State and Tribe. |

My name is Wynn Mosman, and my parents are floathome owners in Hidden Bay. I am a lawyer in Moscow, and have been asked by the owners to make a few comments this afternoon regarding the current lease and on the issue of fair compensation for the floathome owners.

I want to make clear that the owners are here seeking compromise, and as has been pointed out by Mr. Kimberling and Mr. Greene, there are options available to the Board which both benefit the Park and allow the owners to stay. That is what we want.

But among the choices available to the Board today are those which the owners oppose and will certainly lead us all down a path to litigation. That is not what the owners want. Litigation is of course no great threat when dealing with a government entity, but it is an unfortunate reality, and it is a factor which should be considered by this Board as it seeks a solution which finally puts this dispute to rest.

If this issue ends up in litigation, the essential question which will be asked is whether the Board and staff dealt fairly with the floathome owners. The answer to that question will be found in a review of several undisputed facts:

On the issue of fair compensation for the owners, it is undisputed that:

- The 1990 Board directed that the homes were to be bought at FMV, in the event of a phaseout:
 - “Mr. Neal said his understanding of what the motion was ... that the parks department will expect floathome owners to abide by the state health regulations in regards to sewage (parenthetically, it is undisputed that that has happened – the owners are in compliance), but someday down the line within the next 20 years the parks department will buy the floathomes at the appraised value. Is that correct”
 - Mr. Neal said the motion was to treat the floathomes similar to the **other cabins** that are being phased out and that means to buy them. Mr. Thomson asked Mrs. Robertson if that was the way the motion was. Mrs. Robertson said yes.” Packet Section 5, p. 33
 - It could not be more clear that the 1990 Board voted to buy the floathomes in the event of a phaseout.
- It is undisputed that within 2 months of that 1990 Board vote, Park staff sought to avoid the obligation to fairly compensate owners as directed by the Board;
 - Then-Director Farrell in a March 24, 1990 letter to my father wrote: “The board and staff has made no further decision regarding any buyout of float homes. (*What decision was to be made, given the Board’s January 1990 discussion??*) One can certainly distinguish between moveable and non-moveable property when discussing phaseout of land-based and water-based cabins.” (*No such distinction in the Board vote – Mr. Neal stated they were to be treated like the other cabins within the Park.*)
- It is undisputed that, despite the clear directive from the 1990 Board, Staff then drafted a lease which gives the Park sole discretion in a decision to either pay FMV for the homes, or direct owners to remove their floathomes, with the Park then only required to pay half of FMV.
- It is undisputed that the effort to avoid fair compensation to owners continues:

- Among the Staff recommendations is that if no consensus is reached leases would be renewed for 5-10 years, and then the owners would be paid nothing
- Only information provided to the owners on the questions of FMV is a preliminary appraisal received yesterday – we obviously have not had the opportunity to review that in great detail, and do not at this time accept the values offered in that report. At a minimum, without any input from appraisers hired by the owners, the figure is \$1.5m, and those funds could be used elsewhere in the Park at greater benefit to the public, as previously mentioned.
- It is undisputed that the value of these floathomes is in their existence and presence on Hidden Bay, and it is patently unfair to now value them based primarily on assessed values (which are in the process of being revised) and in the absence of a long-term lease.
 - Surely this Board is aware the value of these floathomes given the current uncertainty is entirely different than their value would be with the benefit of a long-term lease.
- Undisputed that the Lease itself gives the Board the option of renewing the lease – that is a solution to this problem available under the express lease terms.

Contrast Floathomes with Cabins

None of the floathome owners takes issue with the continued existence of the land based cabins within the Park. Yet the treatment of the floathome owners as compared to the treatment of the other cabins is worth noting.

- It is undisputed that the land-based and water-based cabins are subject to the exact same lease, and yet the recommendation now is to treat the land based cabins differently from the floathomes;
 - Over the past couple of decades, land based cabins have been acquired for FMV as part of the phaseout

- Undisputed that there are over 5 times as many land-based cabins as there are floathomes within the boundary of the park, and there are a number of boathouses on the water at both Chatcolet and Rocky Point (again, within the Park) and yet it is only the floathomes which have been targeted for removal.
- There is no data whatsoever to support the notion that land based cabins or boathouses have less impact on the pristine state of the park than the floathomes.
- Undisputed that, in a time of limited budgets, it is far more expensive to remove the floathomes than it is to keep them there, and removing them adversely affects Benewah County.

Finally, it is undisputed that:

- The General Development Plan commissioned by the Board in 1989 was put together by an unbiased expert unaffiliated with the Board, Park Staff, or the owners; that expert was retained because he had the education, experience and training to offer a meaningful opinion on the issue.
- It is undisputed that that expert recommended that the float homes remain in Hidden Bay

As Staff makes their presentation, ask keep the following questions in mind:

- Is the proposed use a wise use of public funds, as compared to the current use?
- Does this make economic sense, environmental sense, and comport with common sense to remove the floathomes?
- How can they object to the very existence of the floathomes on Hidden Bay while at the same time discussing the option of acquiring the homes and renting them out.

Summary/ Wrap-Up:

Emphasize that nobody wants to end up in court; everybody wants to work with the Board to reach an acceptable compromise to keep the floathomes in Hidden Bay. I ask you to reject the Staff's proposal and consider the recommendations for compromise made by Mr. Kimberling and Mr. Greene.